

# THE AMERICAN OCCUPATION OF HAITI

by

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with the aid of the Research Staff of the Foreign Policy Association

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## PART ONE PRE-WAR HAITI

THE island of Haiti is the second largest in the Caribbean. The western third is occupied by the Republic of Haiti, and the remaining two-thirds by the Dominican Republic.<sup>1</sup> Haiti has a population of about 2,500,000, composed of descendants of African slaves brought to the island by French colonists. With 250 inhabitants to the square mile, Haiti is, next to Porto Rico, the most densely populated territory in the Caribbean. About 90 per cent of the people dwell in the country and derive their living from a primitive agriculture. Coffee is the principal export, being more important than all other exports combined. While the official language of the island is French, the Haitian peasant speaks Creole, which is a French and African patois. French cultural influence is strong in the towns. Although Catholicism is "especially protected" in Haiti, the peasants are said to be addicted to a form of voodooism, such as is found among many primitive peoples.<sup>2</sup>

To understand the difficulties which confronted the Republic of Haiti between 1804 and 1915, it is necessary to refer to Haitian history, which is as vivid as that of any people in the world. The original inhabitants of Haiti were Indians.<sup>3</sup> Spanish colonists, who occupied the island following its discovery by Christopher Columbus in 1492, soon reduced this population to slavery. Alarmed by reports of cruelty, Queen Isa-

bella sent Bishop Las Casas to Haiti, or Hispaniola as it was then called, as protector of the Indians. In order to secure a more adequate labor supply, the Spanish authorities started to import African slaves in 1503. This traffic continued for several hundred years, with the result that by 1800 the Indians had become extinct and the population had become predominantly black.<sup>4</sup>

By the treaty of Ryswick of 1697 Spain ceded the western part of Haiti to France, which ruled it without difficulty until 1789 under the name of Saint Domingue. In the latter year the white population was about 40,000; in addition there were 28,000 freedmen and half a million slaves.<sup>5</sup> During the eighteenth century French planters developed estates (*habitations*) of sugar, indigo, cacao and coffee, and soon became wealthy. The French government constructed irrigation works and excellent roads. It was in this period that French culture began to flourish in the towns.

While in some respects life in Saint Domingue was gay, it was also profligate and cruel. Concubinage and prostitution were widespread and a mulatto population soon arose. The economic system, moreover, was based on slave labor. Offenses committed by slaves were often punished with terrible penalties; in some cases Negroes were thrown into boiling water or into fire; in other cases they were buried alive.<sup>6</sup> They were not allowed to develop family life, nor were they given any education.

1. The Dominican Republic and Haiti were united between 1822 and 1844. The boundary line between the two countries continued to be an outstanding issue after their separation; it was settled only in 1929. Treaty of January 21, 1929. *Le Moniteur*, February 18, 1929.

2. Cf. W. E. Seabrook, *The Magic Island*; Sir Spencer St. John, *Haiti, or the Black Republic* (1889), Chapter V.

3. Originally these Indians were divided into five kingdoms, or *cacicats*. The name *caco* may have been derived from *cacicats*. T. Madiou, *Histoire d'Haiti*, Vol. I, p. 3. This historian states that the population of Haiti was reduced from more than a million to 60,000 in sixteen years.

4. Dantès Bellegarde, "L'Esclavage et le Trafic des Noirs dans l'Ile d'Haiti," *Pages d'Histoire*, Port-au-Prince, 1925.

5. J. N. Léger, *Haiti: Her History and Her Detractors*, p. 41.

6. W. Bellegarde and J. Lhérisson, *Manuel d'Histoire d'Haiti*, p. 53.

## HAITI BEFORE THE AMERICAN OCCUPATION

Under Toussaint Louverture, originally a plantation slave, the Negro population revolted in 1791 and drove the French planters into the sea. After he had defeated a French attempt to re-establish authority, General Dessalines in 1804 proclaimed the independence of Saint Domingue under the Indian name of Haiti. This thirteen-year period of revolution, entailing the ejection of European landlords and the freeing of slaves, severely shook the economic and political foundations of the island. During the first thirty-four years of its independent existence, Haiti lived under the fear of the return of France. A large part of Haitian revenues went to pay the French debt and to maintain an army. The export of indigo and sugar virtually came to an end, leaving coffee the chief article of foreign commerce.

In judging the history of the Haitian Republic between 1804 and 1915, it is necessary to remember the origin of the Haitian people. The case of Haiti seems to be the only one in modern history in which a Negro population, previously subjected to a slave system marked by terrorism and brutality, has suddenly been obliged to organize a government and an economic system of its own. In view of this historic background, it is perhaps remarkable not only that the Haitian peasant should possess the qualities of gentleness, charm and hospitality so frequently attributed to him,<sup>7</sup> but also that the Haitian people should have been able to maintain an independent existence for a hundred years—i. e., until 1915.

### DICTATORIAL GOVERNMENTS

Between 1804 and 1889 Haiti had ten Constitutions;<sup>8</sup> the Constitution adopted in the latter year remained in force until after the American occupation in 1915. Except for two so-called empires under Dessalines and Soulouque, Haiti has professed a republican form of government. The 1889 Constitution provided for a government similar to that of France. The President was elected

for seven years by the National Assembly (the Chamber and Senate meeting together); he was not immediately eligible for re-election. The President governed through a Cabinet responsible to a Chamber of Representatives elected by manhood suffrage, and to a Senate indirectly elected.<sup>9</sup> The French codes and the French system of justice were followed.<sup>10</sup>

While in theory the Haitian government was parliamentary, in practice it was dictatorial.<sup>11</sup> The term of a President depended not so much upon the Constitution as upon his military power. Between 1807 and 1915 Haiti had twenty-four Chiefs of State.<sup>12</sup> Seventeen of the twenty-four Presidents of Haiti were deposed by revolution. Only two of the twenty-four retired peacefully.<sup>13</sup>

Some of the Haitian revolutions were caused by real grievances, as in the case of the revolutions of 1843 and 1859. Others were caused by the personal ambition of a general or the mutual hatred of factions. As a rule revolutions started in the north, near Cap-Haitien. In the neighboring hills lived organized native bands, or *cacos*, who were willing to place their services at the disposal of any revolutionary leader who would meet their terms. The *cacos* were called the king-makers of Haiti.<sup>14</sup> Under the leadership of a revolutionary general, they would march upon Port-au-Prince, and if the President did not have the force to resist them he would resign. The revolutionary general would then convene the National Assembly for the purpose of securing his own election to the Presidency. In some cases *caco* soldiers sat in the gallery of the legislative hall and pointed their guns at deputies as they rose to state their choice.<sup>15</sup>

The Chief Executive of Haiti received a salary of \$24,000<sup>16</sup>—an attractive sum in a

9. Cf. H. Pauléus-Sannon, *Haiti et le Régime Parlementaire*, Paris, 1898; J. B. Dorsainvil, *Eléments de Droit Constitutionnel*, Paris, 1912.

10. The territory was divided into five departments, 27 *arrondissements*, about a hundred communes and about 500 rural sections.

11. D. Bellegarde, *Pour Une Haiti Heureuse*, Vol. I, p. 98.

12. For the list, cf. H. P. Davis, *Black Democracy*, p. 338. Mr. Léger points out, however, that between 1800 and 1900 France had eighteen rulers—the same number as Haiti during this period. *Haiti*, *op. cit.*, p. 338.

13. Davis, *op. cit.*, p. 338.

14. General Waller, *Inquiry*, p. 609.

15. Admiral Caperton, *Inquiry*, p. 360.

16. Article III, Constitution of 1889.

7. Cf. General Butler's testimony, *Inquiry into the Occupation of Haiti and Santo Domingo*, Senate Hearings, 67th Congress, 1-2 Sessions, 1922, (hereafter cited as *Inquiry*), p. 61.

8. Between 1791 and 1875 France had twelve Constitutions. Léger, *op. cit.*, p. 340.

country having an unusually low standard of living. Once in office the President usually became a dictator, as many Haitian writers admit. Haitian Presidents felt it necessary to control elections so as to secure the continuance of their government in power.<sup>17</sup> The clique surrounding the President usually regarded the government as a source of financial profit. Financial mismanagement seemed chronic, graft was widespread.

Because of the bloody origin of the republic and its subsequent disordered history, a military class became predominant. With one or two outstanding exceptions, such as Michel Oreste, most of the Presidents of Haiti before 1915 were generals, and military officers were used throughout the administration of the country. Living under a virtually military régime, the people of Haiti were subject to a constant series of exactions. Service in the army was obligatory.<sup>18</sup> It was necessary to obtain a pass to go from one part of the country to another.

In 1922 the United States Senate Committee investigating Haitian affairs described the plight of the country in the following terms:

"Before American intervention there had been no popular representative or stable government in Haiti. The public finances were in disarray, public credit was exhausted, and the public revenues were wasted or stolen. The people, most of whom lived in wretched poverty, were illiterate and spoke no other language than the native Creole. The country and its inhabitants have been a prey to chronic revolutionary disorders, banditry, and even during the periods of comparative peace to such oppressive and capricious governors, that the great mass of the people who, under happier circumstances might have become prosperous peasant farmers, have had neither

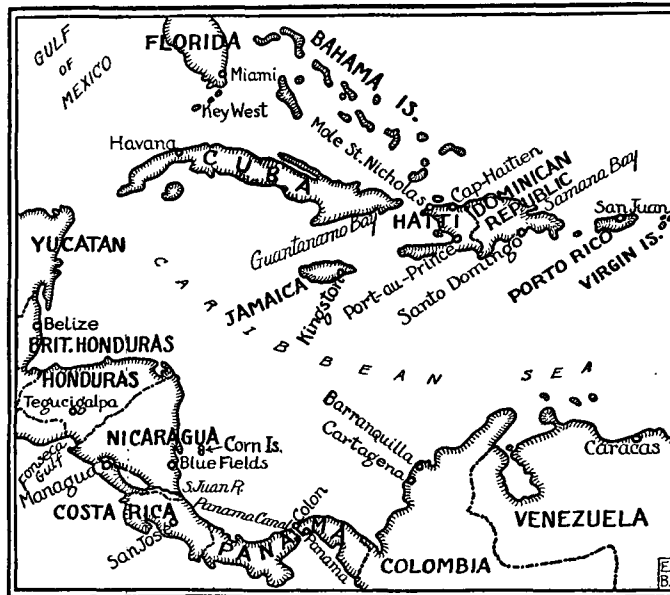
opportunity nor incentive to labor, to save, or to learn. They had no security for their property and little for their lives. Voodoo practices, of course, were general throughout the territory of the Republic."<sup>19</sup>

## ECONOMIC CONDITIONS

The export and import trade of the island, moreover, was low, equalling only about one-tenth of the foreign trade of Cuba.<sup>20</sup> Coffee, the predominant export, was not cultivated as it had been on the old French plantations, but was for the most part gathered from wild trees that had sprung from stock planted by the French colonists a century before. Statistics quoted by Mr. J. N. Léger, on the other hand, have purported to show that the export of coffee, cacao, logwood, lignum-vitae and mahogany was greater in 1906 than in "the most prosperous period of the French domination."<sup>21</sup> In 1906 Haiti exported 86,000,000 pounds of coffee, or 18,000,000 pounds more than in 1790. Mr. Léger admits that Haiti had ceased to export sugar, but states that this was due to the fact that the sugar industry

required large sums of capital which Haiti did not possess.

Haitian sugar production has also been injured by the tariff policy of the United States, which has favored Cuban sugar.<sup>22</sup> It is significant, moreover, that the sugar industry in the British West Indies has de-



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17. Bellegarde, *op. cit.*, Vol. I, p. 249.

18. The army law of October 16, 1912, which called for an army of 50,000 men, required two years' active service in the army. Mathon, *Annuaire de Législation Haïtienne*, 1912, p. 130.

19. "Inquiry into Occupation and Administration of Haiti and the Dominican Republic," *Report of the Senate Investigating Committee*, No. 794, 67th Congress, 2nd Session, p. 5.

20. In 1925 Haiti had the lowest per capita foreign trade of any American country (\$19.51). Cf. p. 380; also F. P. A. *Information Service*, Vol. III, No. 23, "Mexico, the Caribbean and Tacna-Arica," p. 376.

21. Léger, *op. cit.*, p. 294.

22. F. P. A. *Information Service*, Vol. V, No. 6, "Sugar and the Tariff," p. 110.

clined, this circumstance being attributed to general over-production throughout the world.

It is the opinion of many observers that the development of the sugar industry in Cuba and Porto Rico, causing the transfer of vast areas of land to foreign corporations, has worked injury to the native populations. The Haitian Constitution and general political conditions prevented Europeans from acquiring native land to any considerable extent in that country. The Haitian peasants thus lived a relatively self-sufficient existence, while maintaining an economic standard probably as high as that of the peasants in neighboring islands.<sup>23</sup> While the Haitian peasant remained illiterate and superstitious, he carried himself with a dignity and racial pride usually lacking among Negroes dominated by whites, and he seemed remarkably happy and contented except when oppressed by military exactions.

#### EDUCATION AND THE HAITIAN ELITE

In theory the Haitian people recognized the importance of education, which the Constitution made compulsory. In 1895 the government maintained 773 schools, having 44,542 students out of a potential school population of about 350,000. About the same number was enrolled in 1913.

The country supported a medical school and a national law school, while in general the government attempted to follow the principles of the French educational system. At times graduates of Haitian *lycées* were well enough instructed to enter classes in French universities upon the same basis as graduates of French *lycées*.<sup>24</sup>

Important educational work was, moreover, carried on by Catholic schools. As a result of agreements with the Vatican in 1860 and 1862,<sup>25</sup> the Catholic Church opened a number of schools in Haiti, including a

*Petit Séminaire*. In return the Haitian government agreed to pay certain salaries and to give certain scholarships. A number of teaching congregations, such as the *Frères de l'Instruction Chrétienne*, now opened schools. In 1912 the government and the Church made a new agreement providing for the establishment of "presbyteral schools," located in remote country districts. It is estimated that church schools have educated about one-fourth of the literate population of Haiti.<sup>26</sup> Before the World War there were about 700 French priests and lay workers in Haiti.<sup>27</sup> A few Protestant bodies also carried on certain educational work.

In spite of the inadequacy of educational facilities, there grew up in time in the towns a small educated class, some of whose members achieved distinction. Justin Dévot and Elie Dubois were Haitian sociologists and educators of importance. The historical writings of Ardouin and Madiou compare favorably with the work of historians of other countries. In the veins of Alexandre Dumas flowed Haitian blood. The works of modern Haitian writers have won the prizes of the French Academy. Mr. Léger states:

"The sons of the former slaves are today lawyers, doctors, surgeons, architects, engineers, sculptors, chemists, skilled artisans, shrewd business men; some of them, without being multimillionaires, live on large incomes."<sup>28</sup>

Nevertheless, Haitians themselves realized that their educational system possessed grave defects. Teachers were usually political appointees, some of whom were even illiterate. The government owned few school buildings, but instead rented houses from favorites, which was a source of graft. Teachers were paid low salaries—in some cases less than five dollars a month; and frequently these salaries were in arrears. In 1906 rural schools had to close because of inadequate appropriations for rent; and even in the case of city schools the government appropriated only 1.20 *gourdes* (about 30 cents) monthly per school for school materials, including books.<sup>29</sup>

23. Opinions on this point differ, but it is undeniable that the peasants of Porto Rico and Cuba are extremely impoverished. Cf. F. P. A. *Information Service*, Vol. IV, No. 23, "The Problem of Porto Rico," and Vol. V, No. 6, cited, p. 116.

24. Rayford Logan, *Education in Haiti* (unpublished thesis), p. 33.

25. Concordat of March 28, 1860. Convention of June 17, 1862, *Rapport de M. Louis Borno, Négociations Diverses, Réclamations et Litiges, 1916* (hereafter cited as Borno Report), p. 288.

26. Logan, *op. cit.*, p. 49.

27. The number of Catholic clergy in Haiti, as of January 15, 1928, was 695, including lay brothers and sisters. Of this number several were Haitians. *Bulletin de la Quinzaine*, January 5, 1928.

28. Léger, *op. cit.*, p. 372.

29. Logan, *op. cit.*, p. 38.



Moreover, education was confined largely to the towns and was literary in nature. Although Haiti is an agricultural country, the government made little effort to establish a system of agricultural and vocational education. The educational system may have produced a Haitian élite, but it did little for the peasant population. In fact it seemed to create a gulf between the literate population of the towns and the superstitious, primitive peasants in the country. It is esti-

mated that after a century of independence between 75 and 98 per cent of the population was illiterate.<sup>30</sup>

Thus, because of a defective educational system, because of the absence of strong economic groups interested in maintaining stability, and for other reasons, the history of Haiti was one of frequent revolutions, a small foreign trade, and chronic financial difficulty.

### FOREIGN INTERESTS IN HAITI

Naturally these conditions were displeasing to the several hundred foreign traders in the Haitian cities, who were largely of French, German, Dutch and Syrian origin.<sup>31</sup> Nevertheless, there does not seem to have been any case in which a foreigner lost his life as the result of a Haitian revolution. One of the leading American business men in Haiti has declared, "I have been through while the revolutions were on, and a white man was not molested."<sup>32</sup> General Cole of the United States Marines has also testified that Haitians have "been very careful in all their revolutionary activities not to direct them against the property of foreigners or against the lives of foreigners."<sup>33</sup> In fact, the belief has even been expressed that foreigners actively instigated revolution.<sup>34</sup> A writer states that during one revolution

foreign merchants actually encouraged the pillaging of their own warehouses so as to give them a pretext to make demands for excessive compensation.<sup>35</sup>

Yet foreigners were affected by Haiti's financial difficulties, which involved an internal and a foreign debt. Since about 95 per cent of the public revenue came from customs—a source of income which fluctuated with trade—the government funds could not be accurately estimated. Uncertainty was increased by the confusion and dishonesty which existed in connection with the collection and expenditure of revenue. In order to meet unpaid bills and to pay the debt to France, the government in 1826 began to issue paper money. In the absence of ready cash, it frequently resorted to the expedient of issuing certificates of indebtedness to government clerks. Unable to wait for the redemption of such certificates, many employees were obliged to sell their "chits" to foreign and native speculators at a discount sometimes of 50 or 60 per cent.<sup>36</sup> Internal bond issues, or "revolutionary" loans, were also issued at a heavy discount, and purchased often by foreign firms.<sup>37</sup>

During the three years preceding 1915, the Haitian government floated three internal loans of a gold value of nearly \$2,900,000 at the rates of 59, 56 and 47; by the end of this period it had defaulted on

30. *Inquiry*, p. 86, 1471. One Financial Adviser puts the figure at 90 per cent. *Annual Report of the Financial Adviser-General Receiver, 1927-1928* (hereafter cited as *Financial Adviser*), p. 91.

31. In 1912 the Haitian government enforced legislation which had the effect of forcing Syrian traders, engaged largely in the retail trade, to leave the country. This action led to protests of foreign governments. (*Foreign Relations of the United States*, 1912, p. 523 ff.) In May 1912 the French cruiser *Descartes* arrived to protect Syrians, who were then of Turkish nationality. In 1913 the American Minister reported that some expelled Syrians who had gone to Jamaica were supporting a revolutionist group in Haiti which promised that if the revolution were successful the Syrians could return (*Foreign Relations*, 1913, p. 576). The expulsion of the Syrians was criticized by one writer as harmful to the economic interests of the country. (C. Vorbe, *Economie et Finances Haïtiennes*, Port-au-Prince, p. 32.)

32. Mr. R. L. Farnham, *Inquiry*, p. 114.

33. *Ibid.*, p. 673.

34. *Ibid.*, p. 110, 157, 618. Secretary Lansing declared, "It has been the established belief of most Americans who have been in Haiti, and of American officials who have been cognizant of Haitian affairs during the past decade, that the majority of these revolutions have been financed in the north of Haiti by German merchants, who could expect sufficient financial advantages from the success of the revolution to warrant the initial outlay." (Letter of May 4, 1922, *Report of the Senate Investigating Committee*, No. 794, cited, p. 35.)

35. Dr. Karl Kelsey, "The American Intervention in Haiti and Santo Domingo," reprinted in *Inquiry*, p. 1308.

36. *Inquiry*, p. 620. For a similar practice in Liberia, cf. R. L. Buell, *The Native Problem in Africa*, Vol. II, p. 798.

37. Davis, *op. cit.*, p. 150. Cf. the law of August 23, 1911 in regard to the settlement of debts in arrears (Mathon, *Annuaire de Législation Haïtienne, 1908-1911*, p. 129).

salaries to the extent of more than \$1,100,000, and had borrowed \$1,733,000 from the Bank of Haiti.<sup>38</sup>

#### FOREIGN LOANS

In addition to incurring these internal obligations, the Haitian government between 1825 and 1910 contracted a number of foreign loans from French banks, out of which grew a large number of difficulties. Since these financial transactions, involving the establishment of the National Bank, undoubtedly influenced the course of Haiti's history and in one sense provoked the American intervention in 1915, they will be discussed in some detail.

These difficulties go back to 1825 when France recognized the independence of Haiti on the double condition that the latter should pay an indemnity of 150,000,000 francs for the loss of the French plantations and that French imports should be charged only half the ordinary duties. The former sum was beyond the capacity of Haiti to pay, and although to meet a portion of it the government contracted a loan from a Paris firm for 30,000,000 francs,<sup>39</sup> service of the loan soon fell in arrears. In 1838 France recognized the independence of Haiti unconditionally and reduced the indemnity from 150,000,000 to 60,000,000 francs.<sup>40</sup> Haiti thereby became liable for the so-called double indemnity, the original 30,000,000 franc loan plus the 60,000,000 francs still due—a total of 90,000,000 francs. This debt was finally paid off in 1888.

In September 1874, in order to pay off the floating debt, the Haitian government signed a loan contract with local merchants, acting upon behalf of a Paris banking firm, for a loan of 10,000,000 francs. Under the terms of this famous Domingue Loan, the local merchants were to receive a commission of 3½ per cent, while all general revenues of the republic were pledged to pay for

the loan—especially the export duty on coffee, which was fixed at \$2.50 a hundred pounds.<sup>41</sup> The bankers made no move to advance the funds, however; and, believing that the agreement was in default and that the terms were too severe, the National Assembly in February 1875 set aside the contract and authorized a new loan.

The very next day the Paris bankers holding the first contract announced that bonds would be issued the following month. This was done, the bonds amounting to 14,500,000 francs, although in accordance with the contract only 10,000,000 francs were actually turned over to Haiti. Haiti did not receive cash for this amount, but rather old Haitian bonds which the bankers had bought up at a discount. Disgruntled by the terms of this first transaction, the Haitian government in March 1875 entered into a contract with a second firm of Paris bankers for a loan of 50,000,000 francs, out of which the bonds of the first loan would be repaid, while the remainder would be devoted to public works and other purposes. This loan turned out to be even less satisfactory than the earlier one. The *Crédit Général* in Paris was able to sell bonds only to the nominal value of 36,500,000 francs. As subscribers paid only 430 francs for a 500-franc bond, the actual yield to the bankers was only 31,359,470 francs. Under the contract with the Haitian government the *Crédit Général* could retain 130 francs of profit out of each 430 francs subscribed, with the result that for the nominal issue of 36,500,000 francs the Haitian government itself only received 21,800,000 francs. Out of this sum it paid 14,500,000 francs owed on the first loan and used 1,500,000 francs for the first interest and sinking fund payments on the second loan. The balance of 5,800,000 francs was paid out to various individuals in return for alleged services.<sup>42</sup> Thus, as a result of this entire transaction, the Haitian government contracted an indebtedness of 36,500,000 francs, but in return it received only the sum of 10,000,000 francs in the form of old Haitian bonds. The remaining 26,000,000 francs went in commissions to banks and in bonuses to investors and to government

38. *Report of the Senate Investigating Committee*, No. 794, p. 9. Haitians declare that these conditions were caused partly by the attitude of the National Bank and that of the State Department. Cf. p. 340.

39. Of this amount Haiti realized only 24,000,000 francs. For the *Ordonnance* of April 17, 1825, cf. Léger, *Recueil des Traités et Conventions de la République d'Haiti* (1891), p. 2. Haiti accepted this treaty under fear of attack by French warships which were in the Port-au-Prince harbor at the time.

40. Léger, *Recueil*, p. 23-25.

41. Article 5, Contract of September 9, 1874.

42. For the details, cf. a brochure by an anonymous author, *Les deux Emprunts d'Haiti, Les Responsabilités*; also J. C. Dorsainvil, *Cours d'Histoire d'Haiti*, p. 107.

favorites. Little if anything went to productive purposes. So scandalous was this transaction that the succeeding Saloman government talked of repudiation. In 1881 the French bankers agreed to reduce the debt from 36,500,000 francs to 21,000,000 francs.

#### FOUNDING OF THE NATIONAL BANK

In 1880 the Haitian government sanctioned the establishment by French capital of the National Bank of Haiti. This bank was authorized to act as the government treasury—i. e., it accepted deposits of public funds and made payments at the direction of the government. Upon several occasions the bank became implicated in conspiracies to defraud the Haitian people.<sup>43</sup>

Through the bank Haiti contracted a third foreign loan in 1896 for the purpose of paying off the floating debt and retiring paper money. Although the nominal amount of the loan was 50,000,000 francs, its yield was only 40,000,000 francs. In spite of the loan, paper money grew in volume, and in 1910 the Haitian government decided to contract a fourth loan. This loan was issued by the *Banque de l'Union Parisienne*, which in the same year acquired the National Bank of Haiti. The loan amounted nominally to 65,000,000 francs at 5 per cent; Haiti realized from it only 47,000,000 francs, however.<sup>44</sup> It is reported that the French bank allowed about 5,000,000 francs to be distributed among Haitian officials in return for the loan.<sup>45</sup>

The outstanding balance of Haiti's foreign loans of 1875, 1896 and 1910 at the time of the American occupation was approximately 121,000,000 francs, or about \$24,000,000.<sup>46</sup> Including the internal debt and floating obligations, the total Haitian debt (as of 1919) was about \$35,855,000. Little of the money represented by this debt had been used for productive purposes. In 1913-1914 about four-fifths of the customs revenues of Haiti went to the service on the external and internal debt.<sup>47</sup> Moreover, the government had been obliged to pledge import and ex-

port duties in guarantee of debts. Thus the total export duties on coffee—assigned to three loans and many internal obligations—came to \$3.31 1/3 a hundred pounds.<sup>48</sup>

While the internal situation was critical, Haiti was not in default upon interest payments of any foreign loan at the time of the American occupation in 1915 and this despite the fact that the outbreak of the World War had severely crippled Haitian trade with France.<sup>49</sup> The Senate Investigating Committee declared that the "Haitian government exerted itself to an extraordinary degree to maintain the service of its foreign debts." Payments on the sinking funds of several loans were, however, in arrears.<sup>50</sup>

#### THE 1910 REORGANIZATION

At the same time that the 1910 loan was contracted the Haitian government entered into an agreement with the *Banque de l'Union Parisienne* for reorganizing the National Bank, which had practically failed. The contract provided for the establishment of a bank—which was to be a French stock company—having a capital of 20,000,000 francs. For a period of fifty years the bank was given a monopoly of the issuing of paper money, 6,000,000 francs being the maximum allowed. The bank was not required to maintain the customary reserve. During the life of the contract, the government could not issue any paper or nickel money; and provision was made for the retirement of government notes and their replacement with the bank's notes. The bank was also given complete authority in regard to the coinage of subsidiary currency. It was given the treasury service of the government and was paid a commission of one per cent on government sums deposited, one-half of one per cent on sums paid out, and an additional one-half of one per cent upon payments made in foreign countries. The normal commission annually collected by the bank from the government amounted to about \$100,000 a year.

43. Cf. the tables, *Report of the Senate Investigating Committee*, No. 794, p. 28.

49. While at the outbreak of the war several European countries declared a moratorium, Haiti did not do so. Haitian interest payments were suspended, however, at the time of the American occupation. Cf. p. 369.

50. *Report of the Senate Investigating Committee*, No. 794, p. 8. The loan of 1875 to the extent of 10,539,120 francs, the loan of 1896 to the extent of 1,142,000 francs and the loan of 1910 to the extent of 359,500 francs, made a total of 12,040,620 francs. *Inquiry*, p. 1226.

43. Léger, *op. cit.*, p. 240; also *L'Affaire de la Consolidation, Documents et Pièces Judiciaires*, Port-au-Prince, 1907.

44. The contract was approved on October 25, 1910. Mathon, *Annuaire de Législation Haïtienne, 1908-1911*, p. 185.

45. Davis, *op. cit.*, p. 145; Kelsey, *Inquiry*, p. 1308.

46. *Inquiry*, p. 1226.

47. *Inquiry*, p. 1232.



The bank was not obliged to pay any interest upon credit balances of the government. Disputes were to be decided by arbitrators, one to be named by the government, the other by the bank. In case of difference of opinion, a third arbitrator was to be named by the Hague Court of Arbitration. All diplomatic intervention was formally forbidden.<sup>51</sup>

#### AMERICAN PROTEST AND PARTICIPATION

In a memorandum of October 1910 the United States protested against "the establishment in Haiti of a monopoly which excluded American enterprises." The United States believed it was very unwise for the Haitian government to place in the hands of private companies sovereign powers, because if these powers were not properly exercised or if their exercise became unduly onerous for the Haitian government, the latter could not undertake to redress abuse "without running the risk of a diplomatic intervention." The bank commission and other privileges were regarded as excessive. Altogether the United States expressed "its entire disapproval" of the proposed contract, "so prejudicial to American interests, so disastrous to the sovereignty of Haiti and so unjust in its operations in regard to the people and government of Haiti."<sup>52</sup>

At this juncture Secretary Knox requested several New York bankers to visit him to discuss the National Bank of Haiti. As a result of his intervention, the French company consented to allow the National City Bank of New York, Speyer and Company, Hallgarten and Company and Ladenburg, Thalmann and Company each to become subscribers of 2,000 shares of the capital stock. A German bank also acquired 2,000 shares. Thus a total of 10,000 shares out of the 40,000 shares of capital stock passed to non-French hands.<sup>53</sup> Although three Americans became directors, the bank continued to be administered from Paris. There was an advisory committee in New York, however, while an American was vice-

president and an American was manager of the bank in Haiti.<sup>54</sup>

The onerous terms of the bank contract were not, however, modified, and the chief result of Secretary Knox's protest was that American bankers secured a share in the profits.

#### THE RAILWAY CONCESSION

A second foreign concern of importance in Haiti was the *Compagnie Nationale des Chemins de Fer d'Haiti*. In 1910 the government revised certain contracts issued in 1905 and 1906 for railway construction. In the new contract it agreed to guarantee the payment of 6 per cent interest upon bonds issued to finance the construction of a railway from Port-au-Prince to Cap-Haitien, up to a maximum of \$20,000 a kilometre.<sup>55</sup> In return the railway company, which represented American interests, agreed to build the railway within five years "under penalty of foreclosure" except in case of *force majeure*. After twenty years the Haitian government would have the right to repurchase the road. It was agreed that in no case were differences in interpretation of the contract to give rise to diplomatic intercourse.

At the same time the Haitian government granted to Mr. J. P. McDonald, who backed the National Railroad project, a fifty-year concession for raising bananas on all the unoccupied public land for twenty kilometres on each side of the railway. For fifteen years, moreover, Mr. McDonald was given a monopoly upon the export of bananas. He received the right to import certain materials free of duty. In return he promised to pay a dollar a *carreau* for land actually acquired; he promised also to pay an export tax of two cents a banana stem, and to guarantee that the total tax would amount annually to \$200,000—a sum which would offset the railway guarantee. The contract provided that three-fourths of the personnel employed by him should be Haitians. It was stipulated that any difficulties should be settled by the Haitian courts.<sup>56</sup>

51. Article 23, "Contrat de Concession par l'Etat d'Haiti à la Banque de l'Union Parisienne," Mathon, *Annuaire de Législation Haitienne, 1908-1911*, p. 164. Approved October 25, 1910.

52. The French text of this note is printed in the *Borno Report*, p. 165.

53. R. L. Farnham, *Inquiry*, p. 106.

54. Mr. John Allen was manager between 1911-1914; he was succeeded by a French manager, while an American became assistant manager. Mr. R. L. Farnham was vice-president of the bank.

55. Contract of April 10, 1910, Mathon, *Annuaire de Législation Haitienne, 1908-1911*, p. 51.

56. *Ibid.*, p. 62.



It is charged that these contracts were secured by means of bribery.<sup>57</sup> They soon proved to be so unpopular that they were used by the revolutionary leaders in 1911 to incite the people against the Simon government. This antagonism continued during the two following years.<sup>58</sup> Meanwhile, ownership of the railway concession passed to the Grace Syndicate.<sup>59</sup> About two-thirds of the bonds issued by the railway (amounting to about \$3,500,000) were held in France.

In 1913 the company completed three sections of the road, totalling 103 kilometres in length; but the government refused to accept these sections on the ground that the work was "defective" and "ridiculous."<sup>60</sup> The railway management was also charged with extravagance.

The company next appealed to the State Department, which induced the Haitian government to accept the sections and to guarantee the railway bonds issued thereon. In August 1914, the Haitian government declined to make the payment due,<sup>61</sup> on the ground that the treasury was empty and that the company had not lived up to its contract. About the same time it also served notice on the company that it would take possession of its property on the ground that while the company should have delivered under its contract eleven sections of the road, it had delivered only six.<sup>62</sup> The company claimed that it had been obstructed in its work by revolution and that its property had been destroyed. Although in its contract it had promised not to have recourse to diplomatic intervention in case of dispute with the Haitian government, the company again asked the assistance of the State Department, and on September 23, 1914 Secretary of State William Jennings Bryan sent a note to the American Minister at Port-au-Prince, declaring that if the Haitian government took possession of the property, the United

States would take such measures for safeguarding the rights of the company as it might deem necessary.<sup>63</sup>

Although the Haitian government declared that under the terms of the contract diplomatic intervention was inadmissible, it agreed as an international courtesy to suspend foreclosure proceedings for a time. It also offered to arbitrate the dispute in accordance with the terms of the contract. Meanwhile, the internal situation grew worse, and when the United States intervened in the following July, the railway question was still pending.<sup>64</sup>

#### HAITI'S STRUGGLE WITH THE BANK

For many years prior to its reorganization in 1910, the National Bank of Haiti was regarded by some critics as an instrument which hampered the development of the country. It speculated heavily in exchange, reaping large profits from the peasants in need of *gourdes* at the time of the coffee crop. Officials of the bank had moreover been implicated in a number of fraudulent transactions. When the 1910 reorganization plan increased the privileges of the bank, some Haitians feared (as did the American State Department<sup>65</sup>) that the power of the bank over Haitian life might be exercised more harmfully than ever.<sup>66</sup>

In accordance with the loan contract of 1910, the bank was to have devoted 10,000,000 francs of the loan to monetary reform, i. e., for the retirement of government fiduciary money. Differences now arose, however, between the bank and the government over the rate of retirement. The Haitian authorities wished to fix the value of the *gourde* at 3.50 or four to the dollar; the bank insisted on five. The Haitian government believed, moreover, that it would be impossible to bring about the retirement of all fiduciary money immediately. Consequently it enacted a law in 1912,<sup>67</sup> providing

57. P. H. Douglas, "The National Railway of Haiti," *The Nation*, January 19, 1927. A number of Americans who have lived in Haiti tell the story of McDonald's gift of Tecla pearls to President Simon's daughter.

58. Statement of Mr. R. L. Farnham, *Foreign Relations*, 1917, p. 816; *Ibid.*, 1916, p. 370.

59. *Inquiry*, p. 107. The National City Bank loaned \$500,000 to the company building the road. Mr. R. L. Farnham, vice-president of the National City Bank, was also president of the road.

60. *Foreign Relations*, 1916, p. 371, 382.

61. *Ibid.*, 1916, p. 373.

62. *Ibid.*, 1915, p. 542.

63. *Ibid.*, 1915, p. 533. The United States has uniformly declined to recognize these so-called Calvo clauses in contracts affecting Americans (E. M. Borchard, *Diplomatic Protection of Citizens Abroad*, p. 509).

64. For its settlement, cf. p. 359.

65. Cf. p. 334.

66. A number of observers agree that the loan of 1910 involved an element of bribery. Since the bank contract was signed at the same time as the loan contract, and between the same parties, it may be argued that there was an element of fraud in both. Cf. p. 334.

67. Law of September 19, 1912. *Annuaire de Législation Haïtienne*, 1912, p. 168.

that part of the 10,000,000 francs should be used to retire 6,000,000 paper *gourdes* at the rate of 3.50 to the dollar, and that the balance should be placed in a State fund to guarantee the paper money remaining in circulation. Protesting that the loan contract called for complete retirement, the bank declined to remit any of the 10,000,000 francs. In 1913 President Michel Oreste informed the Chambers that the question at issue was whether the Haitian government had ceded its sovereign power to determine the conditions of monetary reform. He declared that any contract to such effect would be contrary to the Constitution.<sup>68</sup>

"In an effort of conciliation," the Haitian government now passed a law<sup>69</sup> providing for the retirement of 5,000,000 *gourdes* of nickel, at the rate of five *gourdes* to the dollar, and for the issue of new silver *gourdes*, at the rate of one silver to four old *gourdes*. It was also provided that certain internal taxes, created by a law of August 11, 1903 in connection with monetary reform, should form a metallic reserve—to guarantee the nickel currency remaining in circulation and to stabilize the exchange. It was "forbidden to disturb" this reserve. Although this law was not entirely satisfactory to the bank, it now transferred enough gold to commence the retirement of paper money in conformity with the 1910 contract.<sup>70</sup>

Nevertheless, in January 1914 a Haitian commission, in charge of the retirement of paper money, determined that the bank in which had been deposited \$558,349 (derived from the 10,000,000-franc fund and the taxes levied under the 1903 law) had in its vaults only \$320,000. The Haitian commission protested that the funds devoted to retirement were "sacred" and could not be used under any pretext for any destination other than that provided by law.<sup>71</sup> At this the bank managers promised to make up the difference with gold from New York.

Meanwhile the bank continued to retire paper money until it had withdrawn about 2,500,000 *gourdes*. But at the request of the bank, which feared that any attempt at

monetary reform would be thwarted by revolutionary conditions, the Haitian government in August 1914 enacted a law to suspend further retirement. The law also authorized the government to take over for its current needs the sums—amounting to about \$178,000—devoted to monetary reform, except the balance of the 10,000,000-franc fund.<sup>72</sup> The bank declined to hand over this sum, on the ground that it was reserved for monetary reform. The Haitian government declared, however, that the sum demanded did not concern the 10,000,000-franc fund, but rather the taxes collected under the 1903 law.<sup>73</sup> Despite its protest that disputes under the contract should be referred to arbitration, the bank was forced to appear before the Haitian courts in September 1914. Before an order compelling the bank to submit to the 1914 law could be enforced, a revolution occurred, in which President Zamor was overthrown. He was succeeded by President Theodore.

Another difficulty now arose over the so-called budgetary convention. This was an annual agreement, first entered into in 1911-1912,<sup>74</sup> in which the bank undertook to advance a monthly sum to the government, being compensated by subsequent receipts and a commission. In view of the growing debt of the government to the bank, and in view of political unrest and the outbreak of the World War, the bank notified the Haitian government in the summer of 1914 that it could not renew the budgetary convention; nor could it make full payments for the months of August and September 1914 under the current convention. Now under the terms of the bank contract the bank was authorized to hold government funds until the end of the fiscal year—or in this case until September 30, 1915. And the refusal to renew the budgetary convention, which had been in the nature of an accommodation, therefore left the Haitian government without any funds. In June 1914 the American Minister wrote that the suspension of the convention was likely to "bring the government to a condition where it could not operate" and that this was just the condition

68. Haiti, *Exposé Général de la Situation*, 1913.

69. Law of September 5, 1913. *Annuaire de Législation Haïtienne*, 1913, p. 82.

70. Borno Report, p. 105.

71. *Ibid.*, p. 101.

72. Law of August 17, 1914. *Annuaire de Législation Haïtienne*, 1914, p. 58.

73. Borno Report, p. 135.

74. For text, cf. *Annuaire de Législation Haïtienne*, 1908-1911, p. 137. For the same system in Liberia, cf. R. L. Buell, *The Native Problem in Africa*, Vol. II, p. 809.

that the bank desired, since it was its belief "that the government when confronted by such a crisis would be forced to ask the assistance of the United States . . . and that American supervision of the customs would result."<sup>75</sup>

The next move was made by the bank on December 8, 1914 when its vice-president, Mr. Wehrhane, sent a cable to the State Department asking that, in view of the virtual stoppage of communications by merchant vessels because of the World War, an American warship should transfer \$110,000 in gold from the bank in Haiti to New York.<sup>76</sup>

#### THE MACHIAS INCIDENT

On December 15, William Jennings Bryan, Secretary of State, ordered the landing of American marines for this purpose.<sup>77</sup> On the 17th these marines placed on board the *Machias* \$500,000—about half the gold in the bank—which was transported to New York.<sup>78</sup> The Haitian government protested that this gold was not the property of the bank, but a trust fund belonging to the State, which could not be removed from the country without the government's consent. It was "intensely surprised and pained" that the American government should pass judgment on internal measures of Haiti, and should place its sailors at the disposal of banking interests.<sup>79</sup> Secretary Bryan justified this action on the ground that revolutionists had attempted to divert the funds to uses other than those authorized by the loan contract,<sup>80</sup> a contention which Haiti denied. The seizure, Mr. Bryan declared, was "a protective measure merely, in behalf of American interests which were gravely menaced." The sums taken to New York would draw interest and would be protected from revolution. Following the *Machias* incident, the Haitian government proceeded to enforce the judgment in connection with the 1914 law, taking \$65,000 from the bank vaults.<sup>81</sup>

Deprived of its income by the action of the bank in regard to the budgetary convention, the Theodore government on December 22, 1914 authorized the issue of 8,000,000 *gourdes* of paper money.<sup>82</sup> Both the bank and the State Department protested that this issue was a violation of the 1910 contract, which gave the bank a monopoly of paper money. The government of Haiti declared that its action was as justified as was the action of the bank in refusing to renew the budgetary convention.<sup>83</sup> Although the bank contract prohibited diplomatic intervention in case of dispute, and although the bank was a French stock company, the United States insisted upon coming to its aid. Haiti declared that this intervention was illegal.<sup>84</sup> It asserted that the bank should have resorted to arbitration in accordance with the contract, rather than to the American State Department. In February 1915, the Haitian government, offended by the policy of the bank and of the State Department and in dire need of funds, ordered that customs duties be paid over to various merchants named by the government, instead of to the bank in accordance with the 1910 contract.<sup>85</sup> In August 1915 the State Department ordered Admiral Caperton, who was in command of the American occupying forces, to restore to the bank this treasury service.<sup>86</sup>

#### THE UNITED STATES DEMANDS CUSTOMS CONTROL

Although from 1908 to 1911 Haiti enjoyed a period of tranquillity under President Simon, between the latter year and 1915 it experienced a series of revolutions. Notwithstanding the constitutional Presidential term of seven years, Haiti was governed by six Presidents between August 1911 and July 1915.

Because of the constant political turmoil in the island, the United States had become convinced that Haiti could not maintain a stable government without foreign aid; it also believed, especially because of the presence of important French and German in-

75. *Foreign Relations*, 1914, p. 346.

76. *Ibid.*, p. 365.

77. *Ibid.*, p. 369. These marines were unarmed.

78. *Inquiry*, p. 1441. Interest at the rate of 2 per cent was paid on this fund and it is understood that the identical gold was returned to Haiti in 1919.

79. *Foreign Relations*, 1914, p. 378.

80. This gold was not drawing interest. (*Ibid.*, 380).

81. *Ibid.*, p. 381.

82. A previous government had also contracted an internal loan, and a decree of January 22, 1915 authorized an issue of 2,000,000 *gourdes* in treasury bonds.

83. *Foreign Relations*, 1914, p. 365; 1915, p. 502-4.

84. *Ibid.*, 1914, p. 374; 1915, p. 501.

85. *Ibid.*, p. 511.

86. *Inquiry*, p. 323, 334. Cf. p. 368.

terests there, that such aid should come from Washington.

One of the first indications of American policy came in February 1914 when an American consular agent at Petit Goave announced that he had been instructed to supervise customs receipts at the port in order to prevent loss by the revolution then in progress. On March 14 the German Legation informed the Haitian government that the German government would insist on sharing in foreign control of customs in case such control were established in Haiti. In reply Foreign Minister Léger declared that there had never been any question and that there never would be any question of establishing foreign customs control.<sup>87</sup>

On February 26, 1914, Secretary Bryan said that the United States was well disposed toward lending its aid in the collection of Haitian customs. And on July 2, following another revolutionary outbreak, a draft providing for customs control as in the convention with the Dominican Republic of 1907, as well as for an American Financial Adviser, was presented to the Zamor government, which the State Department had recognized. On July 30, 1914 an American representative reported that the downfall of the Zamor government would depend upon its ability to borrow funds, but that the National Bank had "formally refused to advance a loan owing to the disturbed conditions. . . ." <sup>88</sup> He reported that the German Minister had warned Germans not to subscribe to any such loan, adding that "were it not for the acute financial crisis it could be confidently predicted that the Government would be in complete control of the whole country within a fortnight."<sup>89</sup>

A few weeks later<sup>90</sup> the American Minister reported that the bank had declined to make the August payments on the *convention budgétaire* and that the government was "without funds whatsoever."

Ten days after the State Department re-

ceived information that the Zamor government had fallen in the north, Secretary Bryan wrote the President of the United States setting forth the "urgent need of increasing our [naval] force on the south coast at this time when a renewal of negotiations seems probable. . . ." <sup>91</sup> The next day the transport *Hancock* was ordered to proceed to Port-au-Prince with 800 marines. Secretary Lansing at the same time informed the American Minister that the State Department was contemplating a convention along the lines of the draft of July 2, and also an agreement regarding a fair election.<sup>92</sup> On November 7, 1914, the revolutionary leader, Davilmar Theodore, was elected President of Haiti.

#### PRESIDENT THEODORE AND THE U. S. DEMANDS

The State Department now informed Theodore that he would be recognized as provisional President only after he had agreed to send a commission to Washington to negotiate in regard to customs control, the National Bank, the railway, and the Mole St. Nicholas.<sup>93</sup>

When these proposals were discussed in the Haitian Senate, members became so indignant that they attempted to make a physical attack upon the Minister of Foreign Affairs, accusing him of trying "to sell the country to the United States."<sup>94</sup>

On December 10, 1914 the State Department again submitted the draft convention of July 2.<sup>95</sup> Two days later Secretary Bryan declared that the United States was actuated by a wholly disinterested desire to aid Haiti, and that if for any reason the Haitian government thought it best not to consider this proposition the matter should not be pressed.<sup>96</sup> The Theodore government replied that it could "accept no control over the Haitian administration by a foreign power."<sup>97</sup> But it proposed a counter project,

91. October 28, 1916. *Inquiry*, p. 338.

92. *Foreign Relations*, 1914, p. 355. On November 4, the Department transmitted a memorandum stating that revolutionary movements must cease, and asking that elections be held under the auspices of American "observers" and that a customs convention be negotiated. *Ibid.*, p. 3567.

93. November 12, 1914.

94. *Ibid.*, p. 363. On October 26 the Haitian Senate unanimously passed a resolution condemning any kind of treaty with the United States. *Inquiry*, p. 6.

95. Text in *Borno Report*, p. 29.

96. *Foreign Relations*, 1914, p. 367.

97. December 15, *Borno Report*, p. 3.

87. For the correspondence, cf. *Exposé Général de la Situation*, 1914, p. 8.

88. *Foreign Relations*, 1914, p. 352.

89. *Ibid.*

90. September 5, 1914. On October 7, 1914 the State Department suggested that the bank use the 10,000,000-franc fund to meet the payments due under the budgetary convention, transferring an equal amount from funds of the bank on deposit in France. *Foreign Relations*, 1914, p. 363.



calling for the appointment of American engineers to prospect for minerals in Haiti; the organization of a mining corporation, two-thirds American and one-third Haitian; an American loan, and certain economic preferences to Americans.<sup>98</sup> Secretary Bryan declined this project, adding that the United States desired stability but did not desire to assume any responsibilities except at the request of the Haitian government.<sup>99</sup> Two days before this dispatch was sent, American marines had taken \$500,000 from the bank to the *Machias*.<sup>100</sup>

In January 1915 a revolt against President Theodore occurred, and because of lack of funds tied up by the bank, he was unable to purchase the coal necessary to enable his naval vessels to blockade insurgent ports.<sup>101</sup>

At the end of February, Vibrun Guillaume Sam, the leader of the revolution, entered Port-au-Prince with about 3,000 *caco* troops, and a few days later became President. The American Minister reported that "perfect order" was maintained in entering the city.<sup>102</sup>

By the end of March, the German, Italian and French governments had recognized Sam as President. The United States declined to do so, however, but instead instructed Messrs. Fort and Smith, who had been sent to inquire into revolutionary conditions in the Dominican Republic, to proceed to Haiti. The commission apparently raised the question of customs control again, but the Haitian government declined to negotiate on the ground that the commissioners had no credentials.<sup>103</sup>

#### THE FULLER MISSION

In the following May, Mr. Paul Fuller, Jr. arrived in Port-au-Prince as Envoy Extraordinary from the United States. Mr. Fuller informed the Haitian Minister that at the signature of the proposed convention it would be "a great honor and pleasure to present to His Excellency, the President of

the Republic, a special letter of recognition" of which he was the bearer.<sup>104</sup>

The Fuller draft provided that the American Minister and the President of Haiti should have "such an intimate and confidential relationship" as would enable the American Minister to advise on such matters as "affect the honest and efficient administration of the government." The President of Haiti was to agree to follow this advice to the extent of requiring honesty and efficiency in officials.

Unlike the 1914 proposals, the convention authorized the United States to employ its military forces to protect Haiti from outside attack, and to aid the government in the suppression of insurrection. It prohibited the lease of the Mole St. Nicholas to any foreign government,<sup>105</sup> and obliged Haiti to arbitrate foreign claims.

In a counter-project the Haitian government struck out the provision in regard to the American Minister but promised to employ only honest officials in the customs. It authorized the United States to intervene to prevent foreign aggression; but subordinated American assistance in case of internal disorder to the discretion of the Haitian government. Mr. Fuller, in turn, proposed further counter-suggestions, which the Haitian government in part accepted. Although the differences between the two governments were not great, Mr. Fuller abruptly left for the United States. It is the view of some Haitian critics that he terminated negotiations in this manner because the State Department had decided to make more extreme demands by means of military force.

#### THE PRISON MASSACRE AND INTERVENTION

Meanwhile President Sam was having difficulties. Although he was able to secure funds by an issue of paper money, he was unable to prevent the breaking out of another revolution. After a disturbance at Port-au-Prince on July 27, 1915, General Oscar, a close friend of President Sam, ordered every political prisoner in the local prison to be put to death; the result was

98. *Ibid.*, p. 368.

99. *Foreign Relations*, 1914, p. 371. Cf. p. 341.

100. Cf. p. 337.

101. *Inquiry*, p. 291, 299.

102. *Foreign Relations*, 1914, p. 466.

103. *Borno Report*, p. 36. The commission left Haiti on March 15, 1915, after about a week's stay.

104. Letter of May 22, 1915. *Borno Report*, p. 37. *Foreign Relations* does not mention the Fuller negotiations.

105. Text, *Ibid.*, p. 39. Cf. p. 342.

that almost 200 men, some of whom belonged to the most prominent families, among them ex-President Zamor, were "butchered in an indescribably brutal manner."<sup>106</sup> President Sam now sought asylum in the French Legation. When the populace heard of the "butchery" in the prison, they broke into the French Legation on July 28, carried the President into the street and tore his body to bits.<sup>107</sup> The city was in turmoil. This was the first time that a foreign legation had been violated.

The day before the murder, the American chargé, Mr. Davis, cabled Admiral Caperton, then at Cap-Haitien, that his presence at Port-au-Prince was desired, and that the British and French diplomatic representatives had cabled for ships.<sup>108</sup> Admiral Caperton immediately started for Port-au-Prince, arriving on the morning of the 28th, just after President Sam's murder. After consulting with the French and British diplomatic representatives, who requested protection, he landed troops to prevent further rioting. The same day Admiral Caperton received instructions from the Navy Department to extend protection to British and French nationals and to request that no French or British troops should land.<sup>109</sup>

#### ALLEGED FOREIGN INCITEMENT TO REVOLUTION

Some Haitians admit that the internal situation in Haiti had become so intolerable that foreign intervention was inevitable.<sup>110</sup> Nevertheless, they contend that the revolutionary turmoil, especially in 1914, was in part caused by the National Bank, which used its vast powers, they allege, to throw the country into economic disorder and to reduce the government to impotency so as to cause foreign intervention. A Haitian commission declared that the stabilization of the *gourde* at five to one in the 1913 law had resulted in a reduction in salaries and savings while at the same time it had led to

an increase in cost of living. It declared that the injury thus created "was not the least of the causes of the state of insurrection which the country now experienced until the time of the American intervention."<sup>111</sup>

Moreover, the refusal of the bank to make payments under the budgetary convention deprived the Haitian government of its revenues. The American chargé reported to the State Department that the overthrow of both the Zamor and Theodore governments was largely due to their lack of money.<sup>112</sup> This lack, in turn, was due in part to the action of the bank. Although the State Department protested against the unusual privileges granted to the bank in 1910, it did not protest when the bank suspended the budgetary convention in 1914, but instead joined the bank in protesting against the issue of paper money by the Haitian government. Likewise it ordered an American warship to carry to New York \$500,000 in gold, at least part of which belonged to the Haitian government. Moreover, it protested when the Haitian government deprived the bank of the treasury service; and it declined to recognize the Theodore and Sam governments because they would not submit to American customs control. Haitian critics declare that the policy of the State Department and the bank combined to prevent any government from consolidating its authority and that this policy was a deliberate incitement to revolution.

Nevertheless, foreigners in Haiti believed, as apparently the United States government did also, that the chaotic condition of Haiti between 1911 and 1915 was due to internal difficulties of long standing; and that while by means of loans a government might have endured a little longer than did some revolutionary governments, yet sooner or later the internal structure of Haiti was bound to give way. The United States feared, especially after the outbreak of the European war, that in view of these conditions European States would intervene if the United States did not act first.

The landing of American troops on July 28 for the protection of foreign interests

106. Chargé Davis, *Foreign Relations*, 1916, p. 314.

107. The mob did no injury to President Sam's wife or daughter, nor to any one else within the French Legation. *Foreign Relations*, 1916, p. 317. But it invaded the Dominican Legation, seized General Oscar and killed him in the street. Apparently believing that extending the right of asylum to political refugees is an incentive to revolution, the American government in 1908 ordered the American Legation to discontinue admitting any Haitian refugees. *Foreign Relations*, 1908, p. 435.

108. *Inquiry*, p. 305.

109. *Foreign Relations*, 1915, p. 476.

110. Cf. p. 341.

111. *Borno Report*, p. 132. Cf. also p. 140.

112. *Foreign Relations*, 1915, p. 473.

seemed justified by international practice,<sup>113</sup> but Admiral Caperton did not confine his landing to a protection of such interests, proceeding instead to establish control of

the United States over the internal administration of the country. Before discussing these events, however, the underlying motives of the occupation will be reviewed.

## MOTIVES OF THE AMERICAN OCCUPATION

The first reason given for the American intervention in 1915 was humanitarian. Secretary of State Lansing declared that one of the two grounds for this intervention was:

"To terminate the appalling conditions of anarchy, savagery, and oppression which had been prevalent in Haiti for decades, and to undertake the establishment of domestic peace in the Republic in order that the great bulk of the population, who had been downtrodden by dictators and the innocent victims of repeated revolutions, should enjoy a prosperity and an economic and industrial development to which every people of an American nation are entitled."<sup>114</sup>

President Borno has expressed a similar point of view. In 1928 he declared:

"It is useless to make hypocritical protests against that Treaty [of 1915], which came to us when we were on the brink of a bloody chasm and saved us. It is useless to condemn it as contrary to the dignity and sovereignty of Haiti. The dignity and sovereignty of Haiti cannot possibly consist in allowing political factions—whose recruits, by the way, belong to the minority—to have an absolute right to deliver the Republic to the plagues of anarchy; to inflict upon the nation, which at heart is peaceful and industrious, an intolerable régime of general confusion and corruption. The dignity and sovereignty of Haiti cannot consist in the right to present to the civilized world, in this twentieth century, the unspeakable spectacle of scandalous slavery hiding behind deceitful appearances of universal suffrage and representative chambers.

"American intervention came to aid us in putting an end to a painful situation which could only have ended in final failure—in the fulfillment of all the sarcastic prophecies of the foes of our race. . . . That intervention, which respects the liberty and independence of our country presents for international law a case of one of the most beneficent applications of that high Christian duty of assistance and mutual aid which is as mandatory among nations as it is among men. . . ." <sup>115</sup>

## PROMOTION OF ECONOMIC INTERESTS

The second motive of the United States was to protect and to promote American economic interests. As already seen, nearly one-quarter of the stock of the National Bank of Haiti was owned by Americans, and an American had been its manager. Americans and Englishmen also owned the National Railway, while Americans participated with Germans in the Haitian-American Corporation, which operated a sugar mill near Port-au-Prince, an electric light plant, a small narrow gauge railway running 30 miles out of Port-au-Prince, a tramway in the city and the Port-au-Prince wharf.<sup>116</sup> There were, however, few Americans in the island and at most American investments probably did not exceed \$15,000,000.<sup>117</sup>

Six months before the final intervention, Secretary of State Bryan wrote as follows to the American Minister at Port-au-Prince on December 19, 1914:

"While we desire to encourage in every proper way American investments in Haiti, we believe that this can be better done by contributing to stability and order than by favoring special concessions to Americans. American capital will gladly avail itself of business opportunities in Haiti when assured of the peace and quiet necessary for profitable production."<sup>118</sup>

Following the occupation, the United States insisted that the Haitian Constitution be amended so as to allow foreign ownership of land. French control over the National Bank was supplanted by American control. American loans were substituted for French loans.<sup>119</sup>

116. *Inquiry*, p. 111.

117. *Ibid.*, p. 112.

118. *Foreign Relations*, 1914, p. 370. This statement was made in reply to Haiti's offer to grant special concessions to the United States.

119. Cf. p. 370. An American business man, Mr. Forrest, testified before the Senate Committee in 1921 that the progress of the American Occupation since 1915 had not been "at all commensurate with what both the Haitians and the American business men who are interested in Haiti had a right to expect from the words of this convention." *Inquiry*, p. 751.

113. Buell, "The Protection of Foreign Lives and Property in Disturbed Areas," *Annals of the American Academy*, July 1929.

114. Letter of May 4, 1922, *Report of the Senate Investigating Committee*, No. 794, p. 31.

115. Message to the Council of State, April 1928, *Report of the High Commissioner*, 1928, p. 4. Cf. p. 387.

## STRATEGIC CONSIDERATIONS

The third motive back of the occupation was strategic. A glance at the map (p. 329) shows that the islands of Haiti, Cuba, Porto Rico and the Virgin Islands form a screen shielding the Panama Canal from the outside world. The policy of the United States has been to prevent foreign powers from occupying upon these islands any position which would strategically threaten the Panama Canal. Following the Spanish-American War, the United States annexed Porto Rico and imposed the Platt amendment upon Cuba. As a result of the latter agreement, the United States today maintains a naval base at Guantanamo. Upon a number of occasions the United States attempted to annex Samana Bay in the Dominican Republic and in 1905 it established control over the customs revenue of this country, which is contiguous to Haiti. At the same time that it was attempting to negotiate a customs convention with Haiti, the United States obtained a lease of certain naval bases from Nicaragua in the Bryan-Chamorro treaty of August 1914. In 1916 the United States purchased the Virgin Islands. The remaining parts of this screen—Santo Domingo and Haiti, both occupying the same island—were seized and governed by the Navy Department during the World War.

## THE MOLE ST. NICHOLAS

For many years previously the United States had been interested in a proposal to establish naval bases in Haiti. In 1891 President Harrison unsuccessfully attempted to induce Haiti to cede the Mole St. Nicholas to the United States.<sup>120</sup> During the visit of an Assistant Secretary of State to Haiti in 1913 the Haitian government agreed that "no power other than the United States should gain a foothold" upon the Mole Saint Nicholas for a naval station.<sup>121</sup> In 1914 and 1915 the Mole St. Nicholas was mentioned frequently in the correspondence between the State Department and Haiti.<sup>122</sup> In August 1915, M.

Dartiguenave, a Presidential candidate, indicated his willingness to cede the Mole outright; but the United States finally declined to insert such a provision in the 1915 convention because of its "desire to avoid anything that would seem like an infringement of the territorial sovereignty of Haiti."<sup>123</sup> Meanwhile naval and military officers had come to the opinion that the Mole St. Nicholas was "absolutely worthless" as a naval base.<sup>124</sup> It was too small to accommodate modern war vessels and there was no satisfactory supply of drinking water in the vicinity. The 1915 convention merely obligated Haiti not to surrender any of its territory to a foreign government.<sup>125</sup>

## FRENCH AND GERMAN CLAIMS

Nevertheless, the United States feared that because of the internal turmoil in Haiti foreign States would intervene unless the United States did so and that such intervention would be harmful to the position of the United States at the Panama Canal. France was interested in the island for historic and financial reasons. More than half of Haiti's exports went to France. On the other hand, German middlemen and the Hamburg-American line controlled about 90 per cent of foreign trade in Haiti.<sup>126</sup> French, German and British war vessels had frequently visited Haitian waters and in some cases delivered ultimatums to the Haitian government on behalf of the claims of foreign traders.<sup>127</sup> Vessels from all these countries were in Haitian waters in 1914.

Apparently the first warning served upon Haiti by the United States that it must set its house in order was given by Secretary of State Knox, in a visit to Haiti in 1911 a little before the opening of the

123. *Inquiry*, p. 325; *Foreign Relations*, 1915, p. 437.

124. Cf. *Inquiry*, p. 610.

125. Article XI, Convention of September 16, 1915.

126. *Inquiry*, p. 110.

127. The United States navy sent vessels to Haiti seventeen times between 1857 and 1913. *Inquiry*, p. 63. For the *Bulldog* and the *Mauder* incidents involving Great Britain, for the *Batsch*, *Luders* and *Markomania* affairs involving Germany, for the *Santisi* affair involving Spain, for the *Pelletier* and *Lazare* claims involving the United States, cf. Léger, *op. cit.*, p. 207, 218, 228, 230, 237, 238, 249, 253. A Haitian writer states that in these cases the United States abandoned the Haitian people to "the violence of European powers, but in 1915, at a time when nearly the whole of Europe was engaged in a great war, the United States itself occupied Haiti." Bellegarde, *L'Occupation Américaine d'Haïti*, p. 8.

120. Léger, *op. cit.*, p. 245.

121. *Foreign Relations*, 1914, p. 340.

122. *Ibid.*, p. 345, 367; 1915, p. 430 ff.



Panama Canal. In an address he declared that "at a time when the obligation which my country has assumed as the agent of the interest of all America and of the world in creating a highway for international commerce is about to be realized, we are impressed with the conviction that the fullest success of our work is to a notable degree dependent on the peace and stability of our neighbors. . ."<sup>128</sup>

#### GERMAN COALING STATIONS

Two years previously the Navy Department had expressed opposition to the acquisition of coaling depots in Haiti by private non-American ship companies, on the ground that such coaling stations could be used by foreign vessels of war in the event of hostilities. In 1911 the Haitian government denied a rumor that it had made an alliance with Germany.<sup>129</sup> During the same year, at the instance of the American Minister, the Haitian government eliminated from a contract with a German national for a coastwise steamship service a provision granting the right to maintain a coaling station.<sup>130</sup> In 1913 and 1914 the State Department was led to believe that another German commercial firm wished to secure rights to maintain such a station for coal supplies at the Mole St. Nicholas and that this concession was to be combined with a loan, secured by control over the Haitian customs. The State Department declared that the German government supported the German firm in these proposals.<sup>131</sup> On July 25, 1914 the German chargé in Washington wrote to the State Department that in view of German economic interests in Haiti, Germany could not

give up its claims to participate in customs control if it were established by the American government.<sup>132</sup> In other words, Germany asked, in pursuance of a policy previously followed in Morocco and Liberia, that such control should be joint and not exclusively American.

Thus the State Department feared a French as well as a German attempt to occupy Haiti. American fears were increased by the outbreak of the World War, when it was believed that Haiti might easily be made a base for German submarines.<sup>133</sup> Secretary Lansing summarized the situation by declaring that the United States occupied Haiti because of a "desire to forestall any attempt by a foreign power to obtain a foothold on the territory of an American nation which, if a seizure of customs control by such power had occurred, or if a grant of a coaling station or naval base had been obtained, would have most certainly been a menace to the peace of the Western Hemisphere, and in flagrant defiance of the Monroe Doctrine."<sup>134</sup>

#### JOINT VERSUS EXCLUSIVE INTERVENTION

Upon a number of occasions before the war the United States had cooperated with other powers in Haitian affairs. In 1850 Great Britain, France and the United States mediated in a war between Haiti and Santo Domingo.<sup>135</sup> In 1910 various foreign governments proposed the establishment of an international claims commission. In 1911 and 1912 the members of the diplomatic corps in Haiti jointly treated with revolutionists or made demands upon the government.<sup>136</sup> In January 1914 American, British, French and German naval forces landed at Port-au-Prince.<sup>137</sup>

The United States did not, however, invite the cooperation of other powers in in-

128. *Foreign Relations*, 1912, p. 545. Following the *Luders* affair in 1898, the Haitian government made a proposal for an American protectorate, which, however, the United States declined. In 1905 President Roosevelt declared that "under no circumstances did the United States intend to acquire territory or even take possession of either Haiti or Santo Domingo. J. B. Moore, *Digest of International Law*, Vol. VI, p. 476. Quoted by H. C. Hill, *Roosevelt and the Caribbean*, p. 156. Cf. *Foreign Relations*, 1907, Part I, p. 354.

129. *Ibid.*, 1911, p. 287.

130. Nevertheless, in a contract of August 11, 1910, the Haitian government granted M. Hans Ranke, presumably a German, the exclusive privilege of operating a coastwise shipping line (Article 13), including a gratuitous grant of public land during the life of the concern as a depot for its coal and its material in each of the localities served by the boats of the company. *Annuaire de Législation Haïtienne, 1908-1911*, p. 151.

131. Mr. Lansing's letter. *Report of the Senate Investigating Committee*, No. 794, p. 32.

132. Cf. p. 338.

133. *Inquiry*, p. 693.

134. Mr. Lansing's letter. *Report of the Senate Investigating Committee*, No. 794, p. 32.

135. Moore, *op. cit.*, Vol. VI, p. 511.

136. *Foreign Relations*, 1911, p. 284; 1912, p. 540.

137. *Inquiry*, p. 63. The United States declined, however, to undertake a joint guarantee of the neutrality of Samana Bay in 1862. Moore, *op. cit.*, Vol. VI, p. 26.

tervening in Haiti in July 1915. In fact it asked other powers not to land forces.<sup>138</sup> Although at the Paris Conference in 1919 President Woodrow Wilson energetically supported the principle of international control, as exemplified in the Covenant of the League of Nations, his government in 1915 carried out a military and political intervention in Haiti to the exclusion of any other power. One reason for this policy, as already indicated, was the outbreak of the World War. The fact that Germany was fighting France and England in Europe precluded joint intervention by these three powers and the United States elsewhere in the world. Any proposal for joint intervention, moreover, might have involved the United States immediately in the quarrels of Europe. On the other hand, the exclusive intervention of either France or Germany in Haitian affairs might have extended the scene of the World War to the Western Hemisphere.<sup>139</sup>

#### ALLEGED ILLEGALITY OF OCCUPATION

Such were the motives—humanitarian, materialistic and strategic—which in the eyes of the American government justified the occupation of Haiti in 1915. Haitian and other critics assert, however, that regardless of internal abuse, it was illegal under international law for the United States to intervene in Haiti unless Haiti had violated obligations owed to the United States. They point to the fact that the lives of foreigners had not been injured in any revolution, and that Haiti had not defaulted upon any debt owed to American citizens.<sup>140</sup> They assert that there was no danger of European intervention in 1915 had the United States not intervened. Whatever may have been French or German designs before 1915, the European nations at the time of the Sam revolt were engaged in a war that was taxing every en-

ergy. Admiral Caperton testified that between June 1915 and November 1916 France was the only power (apart from the United States) to have a warship in Haitian waters.<sup>141</sup> Moreover, although the French landed troops at Cap-Haitien and later at Port-au-Prince, they placed themselves at the disposal of Admiral Caperton.<sup>142</sup>

Critics of American policy allege that even if there had been a real danger of European intervention in Haiti, it could have been guarded against by much less drastic means than those actually employed, as, for instance, by neutralization rather than occupation. They declare that there is nothing in the Monroe Doctrine which justifies intervention of the United States in the internal affairs of other American countries. In 1923 Mr. Charles Evans Hughes said that in opposing the intervention of non-American powers in the Western Hemisphere the United States did not seek "to establish a protectorate or overlordship of our own with respect to these republics. Such a pretension not only is not found in the Monroe Doctrine but would be in opposition to our fundamental affirmative policy."<sup>143</sup>

Critics also believe that internal turmoil in Haiti was provoked or at least intensified before 1914 by the National Bank and by the American State Department in order to secure a pretext for intervention, so as to advance the interests of the National City Bank and other American concerns and increase the prestige of the American Navy Department.<sup>144</sup> They point to the fact that the National City Bank and the National Railway had agreed that in no case should disputes arising out of their contracts be made the subject of diplomatic interposi-

141. *Inquiry*, p. 357.

142. At the request of the French government, the State Department in a note of August 11, 1916 promised to respect the contracts of the National Bank of Haiti; to insure for French citizens in Haiti treatment equal to that accorded to Americans; to recommend a modification of customs duties and a settlement of foreign claims; to place no obstacle in the way of the use of French as the official language of Haiti or to its use in Haitian schools; and to respect the present ecclesiastical organization. *Foreign Relations*, 1916, p. 387. For the legation guard, cf. p. 388. On June 19 the *Descartes* landed fifty men at Cap-Haitien, but they re-embarked after five days. On July 1, Admiral Caperton arrived. *Inquiry*, p. 300.

143. Alvarez, *The Monroe Doctrine*, p. 446. Mr. Hughes, however, has defended the American occupation of Haiti. Cf. Minneapolis speech. *Ibid.*, p. 427.

144. Cf. James Weldon Johnson, "Government Of, By and For the National City Bank," *Self-Determining Haiti*, (New York Nation reprint), p. 19.

138. Since the French Legation had been violated, the French Minister informed Admiral Caperton that it was a matter of "national honor" for the French to land a legation guard, but that this guard would not interfere with any of the Admiral's actions. Accordingly a French guard was landed on August 2, 1915. *Inquiry*, p. 309, 357. Cf. also footnote 142.

139. According to the Hague convention of 1907 concerning the rights and duties of neutral powers in naval war, a belligerent warship could not, as a rule, remain in a neutral port more than 48 hours. The presence of a French cruiser in 1914-1915 in ports of Haiti, then a neutral country, led Haiti to protest that its neutrality was being violated. *Ibid.*, p. 300.

140. Cf. Bellegarde, *L'Occupation Américaine d'Haiti*.

tion but that they should be submitted to arbitrators instead. Nevertheless, these concerns did appeal to the State Department, which supported their claims without referring them to arbitration, in spite of the fact that Haiti and the United States were parties not only to the 1907 Hague convention forbidding the use of armed force for the recovery of contract debts,

but also to the arbitration treaty of January 7, 1909.<sup>145</sup> Critics ask why the United States did not make use of these conventions before occupying the island. They declare that it is mere hypocrisy for the United States to assert that Haiti "consented" to the occupation, inasmuch as the United States used force of various types to secure that so-called consent.<sup>146</sup>

## PART TWO

### ESTABLISHMENT OF AMERICAN CONTROL, 1915-1922

Upon landing in Port-au-Prince on July 28, 1915, Admiral Caperton not only restored order but assisted in the re-establishment of the Haitian government and the election of a President. There were two candidates to succeed President Sam—M. Dartiguenave and Dr. Bobo. During the election campaign M. Dartiguenave took the position that Haiti must accept any terms demanded by the United States. Upon Admiral Caperton's advice the Navy Department declared that it would prefer the election of M. Dartiguenave.<sup>147</sup> Meanwhile Admiral Caperton had informed the Navy Department that the population was uneasy, fearing that the United States would not permit Haitian independence to continue.

On August 7 Admiral Caperton cabled the Navy Department, that he would permit Congress to elect a President the following Thursday. On the same day he issued a proclamation, upon orders from the Navy Department, asserting that the United States of America had no object in view "except to insure, establish and help to maintain Haitian independence, and the establishing of a stable and firm government by the Haitian people."<sup>148</sup> On August 12 the National Assembly gave M. Dartiguenave a *viva voce* vote of 94 to 16. Admiral Caperton's chief of staff and a few

marines were on the floor of the Chamber, but Haitians in the galleries had been disarmed and the *cacos* therefore could not intimidate members of the Assembly. The Senate committee on Haiti in its 1922 report expressed the opinion that the American officials "influenced the majority of the Assembly in the choice of a President."<sup>149</sup>

#### "MILITARY PRESSURE" AND THE CONVENTION

Two days after the election the State Department declared that it would recognize M. Dartiguenave only after the Haitian Congress had authorized the President to sign a treaty granting the United States control over the customs and the gendarmerie.<sup>150</sup> Admiral Caperton now pressed for the acceptance of a convention containing these terms. He had at his disposal two gunboats and 1,500 marines, but now asked for eight companies more. On August 19 the State Department instructed Admiral Caperton to seize the Haitian customhouses—which gave the United States control of the Haitian purse strings. Following this action Admiral Caperton cabled: "United States has now actually accomplished a military intervention in affairs of another nation."<sup>151</sup> On September 3, Admiral Caperton declared martial law.<sup>152</sup> Following the resignation of three Cabinet members who opposed the draft convention, Admiral Caperton wrote that the treaty situation was becoming more

145. W. M. Malloy, *Treaties of the United States*, p. 945.

146. Cf. p. 346. The United States may have taken the view that it was useless to try to arbitrate questions with an unstable government. In reference to the charge that the treaty was imposed by American force, Mr. Charles Evans Hughes asks "will any defender of the Treaty of Versailles be heard to say that a treaty is without obligation because it is imposed?" (Charles Evans Hughes, *Our Relations to the Nations of the Western Hemisphere*, p. 80.) It may be pointed out, however, that the Allies before imposing the Treaty of Versailles had formally declared war upon Germany but that the United States has never declared war upon Haiti.

147. *Inquiry*, p. 315.

148. *Ibid.*, p. 313.

149. *Report of the Senate Investigating Committee*, No. 794, p. 7.

150. It had given a similar warning two days before the election. *Inquiry*, p. 315, 327, 328.

151. *Ibid.*, p. 335.

152. For the protest of the Haitian government, cf. *Foreign Relations*, 1915, p. 486.

favorable. "This," he said, "has been effected by exercising military pressure at propitious moments in negotiations."<sup>153</sup> On September 16, 1915, President Dartiguenave finally signed the convention; whereupon it became necessary to secure the approval of the Haitian Congress. In accordance with instructions from Washington, Admiral Caperton now seized a consignment of unsigned bank notes destined for the Haitian government, informing the latter that they could be delivered when the convention was ratified.<sup>154</sup> For two months Admiral Caperton turned over no money for the running expenses of the government. When President Dartiguenave protested that his government could not pay salaries, Admiral Caperton informed him that "funds would be immediately available upon ratification of the treaty." The President pointed out that this policy simply increased anti-American sentiment in Haiti. He threatened to resign. On October 5 the Navy Department finally authorized a weekly sum to meet current expenses, but said that back salaries would not be paid until after ratification.

On October 6 the Chamber approved the convention, subject to an "interpretative commentary."<sup>155</sup> But opposition now arose in the Senate. On November 3 Admiral Caperton protested to the President that the Senate's objections concerned "unimportant technical points and abstract principles." Two days later the Senate committee brought in an adverse report. On November 10, on express instructions from the Navy Department, Admiral Caperton told the Haitian Cabinet that if the treaty failed the United States would nevertheless retain control of Haiti and "proceed to complete pacification." It would also vigorously prosecute bribery.<sup>156</sup> The next day the Senate approved the treaty.

Secretary Daniels now "warmly commended" Admiral Caperton for the able manner in which he had handled "this im-

portant matter."<sup>157</sup> Throughout the entire period Admiral Caperton reported daily to the Navy Department at Washington.<sup>158</sup> The American public, however, did not become aware of the methods used in the negotiation of the treaty until the Senate investigation of 1921-1922.

#### TERMS OF THE 1915 CONVENTION

By the convention of September 16, 1915 it is provided<sup>159</sup> that the United States will by its good offices "aid" Haiti in the development of its resources and in the firm establishment of its finances. The President of Haiti, upon nomination by the President of the United States, is to appoint a General Receiver and such aids and employees as may be necessary, to "collect, receive and apply" all customs duties. Haiti, similarly, is to appoint a Financial Adviser, "who shall be an officer attached to the Ministry of Finance, to give effect to whose proposals and labors the Minister will lend efficient aid." Haiti promises to "cooperate" with the Financial Adviser in his recommendations for improving methods of collecting and distributing revenues.<sup>160</sup> Sums collected by the General Receiver are to be applied first to the expenses of the receivership and of the Financial Adviser, secondly to the Haitian public debt and thirdly to the constabulary. The remainder is to go to current government expenses. The expenses of the receivership and of the Financial Adviser are not to exceed five per cent of the customs receipts. The monthly reports of the General Receiver are to be open to inspection by the two governments. Haiti cannot increase its public debt without the consent of the United States, nor reduce its customs duties.

To preserve domestic peace, Haiti promises to create a constabulary, organized and officered by Americans nominated by the President of the United States. It is stipulated that these officers are to be replaced by Haitians when the latter become qualified. The constabulary is to supervise the arms traffic.<sup>161</sup>

153. *Inquiry*, p. 353, 348.

154. *Ibid.*, p. 378, 380.

155. *Foreign Relations*, 1916, p. 323.

156. The Navy Department told Admiral Caperton that he was expected to "make this sufficiently clear to remove all opposition." A gunboat was ordered to bring a pro-treaty Senator from Cap-Haitien to Port-au-Prince. *Ibid.*, p. 393.

157. *Ibid.*, p. 395.

158. *Ibid.*, p. 295.

159. Malloy, *op. cit.*, Vol. III, p. 2673.

160. Articles II, IX.

161. Cf. p. 358.



Haiti agrees not to surrender any of its territory, or to enter into any treaty impairing its independence. In order to develop its natural resources, Haiti agrees to carry out such measures "as in the opinion of the contracting parties may be necessary for the sanitation and public improvement of the Republic," under the supervision of engineers appointed by Haiti upon nomination by the President of the United States.

Article XIV of the convention provides that the parties "shall have authority to take such steps as may be necessary to insure the complete attainment of any of the objects comprehended in the treaty." Moreover, the United States promises that it "will lend an efficient aid for the preservation of Haitian independence and the maintenance of a Government adequate for the protection of life, property and individual liberty."<sup>162</sup> The convention is to remain in force for ten years, and if for specific reasons presented by either of the high contracting parties its purpose has not been fully accomplished by that time, it may be extended for another ten years.

#### HAITI'S RESERVATIONS

In an interpretative commentary, the Haitian Chamber declared that it understood that under the convention the United States would assist Haiti in procuring a loan upon the American market; that the United States government would not expect to secure monopolistic mining concessions; that the President of Haiti had the right to refuse persons nominated by the United States; that the General Receiver might be removed if guilty of malversation of funds; that the employees of the Haitian customs service should be Haitians, exclusively and directly appointed by the President of Haiti; and that the Financial Adviser was not to be a "comptroller" placed above the executive and legislative powers, nor a substitute for the Chamber of Accounts, but rather an official whose duties were purely advisory.

Differences over the execution of the treaty were to be referred to the Perma-

nent Court of Arbitration at the Hague, in accordance with the convention of 1909 between Haiti and the United States.<sup>163</sup>

Secretary Lansing declared that since this interpretation was not placed before the United States Senate when the latter approved the convention, it was impossible "to consider the views expressed therein as having any binding force on the Government of the United States."<sup>164</sup> Pending approval by the United States Senate, a *modus vivendi* putting the convention immediately into effect was signed November 29, 1915.

Without any public debate the United States Senate approved the convention unanimously,<sup>165</sup> and it went into effect on May 3, 1916. Less than a year later the two governments signed a protocol extending the duration of the treaty for a further period of ten years, or until May 1936. The reason given for this extension was the "necessity of a loan for a term of more than ten years."<sup>166</sup> This protocol was not referred either to the Haitian Congress or to the American Senate for ratification.<sup>167</sup> The Haitian government declared that the Financial Adviser threatened to suspend salary payments until it agreed to the protocol; this was denied, however.<sup>168</sup>

#### THE ASSEMBLY IS DISSOLVED

From the American standpoint, there were two main objections to the 1889 Constitution in force at the time of the occupation. First, it prohibited foreigners from owning land in Haiti;<sup>169</sup> secondly, it provided for a parliamentary form of government in which a popularly elected legislature had a veto over the acts of the President. American officials realized that the Ameri-

163. For the full text of these "reservations," cf. *Foreign Relations*, 1916, p. 324.

164. *Foreign Relations*, 1916, p. 326. An exchange of notes provided that in case of difference the English text of the treaty would prevail. *Ibid.*, 1915, p. 455.

165. *Congressional Record*, February 28, 1916, p. 3245.

166. Protocol of March 28, 1917. Malloy, *op. cit.*, Vol. III, p. 2677.

167. Secretary Lansing asked that the principal draft be amended in order that the protocol would not have to be so submitted. *Foreign Relations*, 1917, p. 807.

168. *Foreign Relations*, 1917, p. 804. Colonel Waller testified that the Haitian Cabinet was equally divided over the question of the protocol and that when the President finally decided to accept it, the Cabinet resigned. (*Inquiry*, p. 691.)

169. Article 6, Constitution of October 3, 1889. At one time only Africans and Indians could be naturalized in Haiti, but this restriction was removed in the Constitution of 1889. Léger, *op. cit.*, p. 290. In Liberia only Negroes may become citizens. Constitution of July 26, 1847, Article V, Section 13.

162. This is similar to the Platt amendment in Cuba. Cf. F. P. A. *Information Service*, Vol. V, No. 3, "Cuba and the Platt Amendment."

can position in Haiti might be made untenable if an irresponsible legislature having a veto with respect to the budget and ordinary legislation continued to exist. They also believed that the educational basis for a democratic form of government was lacking in Haiti.

An attitude of hostility toward the American occupation, which came to vent itself against President Dartiguenave, appeared in the Haitian Senate not only at the time of the debate on the convention, but also in 1916. Fearing impeachment, President Dartiguenave dissolved the Senate on April 5, 1916 and decreed that the Deputies should be convened as the National Assembly to revise the Constitution to make it conform to the 1915 convention. A second decree created a Council of State of twenty-one members, appointed by the President, to give advice to the government.<sup>170</sup> Despite Admiral Caperton's statement that he would support the President, the Senate vigorously declined to be dissolved, on the ground that the President's decree was illegal. On April 27 Colonel Waller of the American Occupation refused to grant permission to the president of the Senate to hold a meeting unless that body would agree to amend the Constitution. Nevertheless, on May 5 the Senate attempted to convene. According to Senators, however, its members were obliged to retire "upon the injunction of American officers accompanied by Haitian gendarmes."<sup>171</sup>

In January 1917 the regular parliamentary election was held, this time under the supervision of the gendarmerie. In April President Dartiguenave convened both houses as the National Assembly in another attempt to secure passage of the amendments desired by the Americans.<sup>172</sup>

The latter now asked that amendments should grant foreigners the right to acquire land and the same protection as Haitians enjoy and that the government should ratify the acts of the American Occupation. The National Assembly did not look with favor upon these amendments. It objected particularly to the proposal that foreigners

should be permitted to acquire land, and a committee of the Assembly accordingly rejected this proposal. A cable from Colonel Cole of the American Occupation, dated June 15, 1917, described the situation in these words: "Antagonism National Assembly to foreign ownership land and to all American influence such that no endeavor I can make short of dissolution Assembly will prevent passage of Constitution"<sup>173</sup> — i. e., without the amendments which the United States demanded.

As President Dartiguenave would not make up his mind to dissolve the Assembly, Colonel Cole finally took matters into his own hands. He prepared a proclamation of dissolution and on June 19, 1917 declared that if President Dartiguenave did not sign the decree, he would suppress the National Assembly himself and "would recommend the establishment of a military government."<sup>174</sup> The President then signed the decree. Colonel Cole sent orders to the gendarmerie officers "to prevent, by force if necessary," any further proceedings by the Assembly. After placing guards at the doors Major Butler, commandant of the gendarmerie, accordingly ordered the Assembly dissolved.<sup>175</sup> Just prior to the dissolution a cable arrived from Washington giving instructions to "take no action until arrival of State Department's message." This cable was ignored. The next day Haitian editors were warned to publish nothing concerning the dissolution.<sup>176</sup> From June 1917 to the present time (November 1929), the Haitian Parliament, whether as a legislative body or as a National Assembly, has held no sessions.

#### THE 1918 CONSTITUTION

Although the only legal means of amending the Constitution was through the National Assembly,<sup>177</sup> the authorities soon decided to submit a new Constitution to a plebiscite on June 12, 1918. A government

173. *Inquiry*, p. 698.

174. *Ibid.*, p. 702.

175. *Ibid.*, p. 702.

176. *Ibid.*, p. 26.

177. Constitution of 1889, Articles 194-196. In 1920 Mr. Franklin Roosevelt, Assistant Secretary of the Navy, declared, "The facts are that I wrote Haiti's constitution myself, and, if I do say it, I think it a pretty good constitution." *New York Times*, August 19, 1920.

170. For the decrees, cf. *Inquiry*, p. 417.

171. *Inquiry*, p. 24, 42, 420, 624.

172. *Ibid.*, p. 690.

proclamation declared that abstention from the election would be an "unpatriotic act." Major Williams, commandant of the gendarmerie, instructed his officers that "it was desirable that this constitution pass..." He testified that his officers conducted a frankly "pro-constitutional" campaign.<sup>178</sup> At every voting place, a gendarme or marine was present; 69,337 votes were cast in favor and 335 against the new Constitution. American officials justified this particular plebiscite on constitutional issues, although they later opposed the election of deputies on the ground that the Haitians were illiterate.<sup>179</sup>

The Constitution of 1918 differed from the Constitution of 1889 in three main particulars: (1) it gave foreigners the right to own land, and extended to them the same protection as Haitians enjoy;<sup>180</sup> (2) it ratified the acts of the American Occupation; (3) it authorized the suspension of the legislature. The new Constitution contained virtually the same provisions as the old one with respect to the Senate and the Chamber, except that the Constitution was to be amended not by these bodies, acting together as a National Assembly, but by popular vote.<sup>181</sup> It is provided in a "transitory" article, however, that the first elections for the Chamber of Deputies "shall" be held on January 10 of an even year, and that this year "shall" be fixed by Presidential decree, published at least three months in advance. Meanwhile, the Council of State—a body of twenty-one members appointed by the President—exercises the legislative power. It is this body which has enacted laws and elected the President since the dissolution of the legislature.

Thus American control over Haiti, established through the convention of 1915, was maintained by the suppression of the Haitian legislature and the adoption of a new Constitution. Moreover, the American authorities maintained a system of martial law and provost courts in the

country, whereby any Haitian challenging the authority of the American Occupation could be summarily tried. Finally, the American authorities exercised control over the press.<sup>182</sup>

#### CIVIL AND MILITARY CONTROL

Between 1915 and 1922 American authority in Haiti was divided. A naval officer held the title of military governor of Santo Domingo and military representative of the United States in Haiti. But after May 1916 this representative resided in Santo Domingo City and had little to do with Haitian affairs.<sup>183</sup> The military authority of the United States in Haiti was actually exercised by the commandant of the Marine Brigade, which contained about 2,000 troops. Under this officer was an American commandant of the Haitian gendarmerie.

American civil authority was represented by the American Minister and by the "treaty officials"—i. e., the Financial Adviser, the General Receiver and the treaty engineers. The American Occupation as a whole was supervised by the State Department in Washington. The chairman of the Senate Investigating Committee declared, however, that the State Department has changed chiefs of the Latin American bureau and chiefs of the gendarmerie of the Marine Corps "as rapidly as the Haitians change Presidents. . ."<sup>184</sup>

Many of the treaty officials, including the American Minister in Haiti during the war period, came from the southern states and had, according to some critics, a racial bias. In many cases they were political appointees;<sup>185</sup> others did not know the French language. Following the resignation of one American Financial Adviser, the Haitian Minister of Foreign Affairs wrote that many difficulties had been caused between Haitians and American officials because of differences in language. He "ardently desired" that in the future the American government should choose representatives who spoke French.<sup>186</sup> Hai-

178. *Inquiry*, p. 566.

179. *Cf.* p. 387.

180. *Cf.* p. 374

181. Amendments must in the first instance be approved by each legislative body, however. (Article 128.) The old Constitution, in imitation of French practice, provided in Article 169 that financial accounts should be examined and liquidated by the Haitian Chamber of Accounts. The new Constitution (Article 117) struck out this provision. The American Financial Adviser today is not obliged, therefore, to submit his accounts to this Haitian body.

182. *Inquiry*, p. 70, 73, 522. *Cf.* p. 385.

183. *Inquiry*, p. 88.

184. *Ibid.*, p. 1410. *Cf.* table, *Ibid.*, p. 1391.

185. *Foreign Relations*, 1916, p. 354; *Inquiry*, p. 1411.

186. *Documents Diplomatiques, Affaires Diverses*, 1921, p. 37.

tians complained that the State Department did not follow this advice.

#### PACIFYING THE INTERIOR

The American Occupation was confronted with two main problems: (1) pacifying the interior of Haiti, and (2) establishing a working agreement with the Haitian authorities.

In September 1915 the American authorities signed an agreement with several *caco* chiefs whereby the latter agreed to turn in their arms and ammunition. An article in the agreement declared that *cacos* found in arms against the existing government after the signing of the agreement would be treated as bandits.<sup>187</sup> Some of the *caco* bands declined to turn in their arms, and the marines thereupon started a campaign of subjugation. On November 20 the Secretary of the Navy declared that it was "strongly impressed with the number of Haitians killed. . ." It believed that control could be maintained "without further offensive operations."<sup>188</sup> Apart from a few skirmishes the country remained calm for the next few months.

In July 1916 the Marine Brigade commander, believing that the construction of good roads between the towns was a military necessity,<sup>189</sup> ordered the gendarmerie to apply the *corvée* law, under which the peasants of Haiti could be required to work three days a year in repairing and maintaining the roads in the districts where they lived. The *corvée* system had not been enforced for some time prior to the American occupation.<sup>190</sup> The recruiting of workers soon proved difficult, and the American officers, being few in number, were obliged to rely upon native officials, called *chefs de section*, or upon the native gendarmes to round up the required number of men. Proper supervision was impossible and abuses occurred in consequence. Major Williams, the gendarmerie commandant, testified that he had reason to believe that

"natives had been killed in avoiding *corvée* work"; he also had heard of the "beating of *corvée* men by gendarmes."<sup>191</sup> Native discontent against the system reached its height when, in violation of the *corvée* law, American officers ordered natives not only to work outside their own district but also to work much longer than the three days authorized by law.<sup>192</sup> Partly as a result of the *corvée* system and the general anti-American feeling, a *caco* revolt involving 5,000 natives broke out in 1918 under the leadership of Charlemagne Peralte.<sup>193</sup> When the Haitian gendarmerie, under American command, proved unable to put down this revolt, the Marine Corps was called in (March 1919). In October American marines in the Haitian gendarmerie disguised themselves as messengers whom Charlemagne had been expecting. Having secured admission by this ruse to his camp, they shot and killed Charlemagne and nine members of his personal guard.<sup>194</sup> The revolt was definitely quelled by the summer of 1920. Haitians declared that during the *caco* revolt 3,500 Haitians were killed; the Senate Investigating Committee placed the number at 1,500. On the other hand, only about 12 or 15 American marines lost their lives.<sup>195</sup>

In October 1918 the American head of the gendarmerie abolished the *corvée* system. Nevertheless, the order was not obeyed for a time in the north—a fact which increased native discontent.<sup>196</sup>

#### METHODS OF PACIFICATION

The war against the *cacos* was not an organized military contest between well-disciplined units. It was rather a guerilla war against poorly armed and undisci-

191. *Ibid.*, p. 556.

192. Major Williams was opposed to the *corvée* on the ground that it was uneconomical. *Ibid.*, p. 561, 479.

193. The Senate committee declared that resentment against continuance of the *corvée* "undoubtedly made recruiting more easy for the bandit leaders." *Report of the Senate Investigating Committee*, No. 794, p. 13.

194. Davis, *op. cit.*, p. 222.

195. *Inquiry*, p. 451. Marine Corps records reported 3,250 Haitians and 12 marines killed during five and one-half years. *Ibid.*, p. 1727. A Haitian declares that the number of his countrymen killed by American marines has probably been greater than the number killed in all the internal revolutions in Haiti put together. Bellegarde, *L'Occupation Américaine d'Haiti*, p. 6. The *Union Patriotique* charged that 4,000 prisoners died in the prison at Cap-Haïtien during 1918-1920, and that 5,475 prisoners died at Chabert, an American camp, during the same period of time. *Ibid.*, p. 32.

196. *Ibid.*, p. 658.

187. *Inquiry*, p. 611. This is similar to the Stimson agreement in Nicaragua. Cf. F. P. A. Information Service, Vol. III, No. 23, p. 344.

188. *Inquiry*, p. 78.

189. *Ibid.*, p. 82.

190. *Ibid.*, p. 529.



plined primitive bands, thoroughly familiar with the mountainous area in which the *caco* war was fought. The American forces and the Haitian gendarmes had therefore to operate in small platoons, as a rule under the command of marine privates removed from the immediate control of responsible officers. Constantly in fear of snipers, it was natural perhaps that when ordered to "mop up" the country some marines and gendarmes should have resorted to drastic methods. One American gendarmerie commandant, Major Williams, testified: "I have no doubt whatever that many natives were killed by the native personnel of the gendarmerie," who, "without any good reason, had killed prisoners or people whom they were about to make prisoners."<sup>197</sup>

During court-martial proceedings one American member of the gendarmerie expressed the belief that there had been 400 illegal executions of Haitians, and that among the gendarmerie officers it was understood "to be the popular thing to 'bump off' as nearly as possible all prisoners taken."<sup>198</sup> In March 1919 the commandant of the gendarmerie issued an order that no prisoner while in custody, whatever his or her status, should be shot, executed or permitted to be shot.<sup>199</sup> Despite this order not to kill prisoners, one American officer was reported to have instructed his subordinates to "go ahead executing prisoners and say nothing about it."<sup>200</sup>

Following the court-martial of several marines for the "unlawful execution" of *cacos*, Major-General Barnett, commandant of the Marine Corps, wrote to Colonel John H. Russell, Brigade Commander, stating that court-martial testimony showed him that "practically indiscriminate killing of natives had been going on for some time."<sup>201</sup>

197. *Inquiry*, p. 551. Cf. the testimony of Mr. Spear, who declared that a Lieutenant Brokaw had given instructions that wounded *cacos* be killed. *Ibid.*, p. 538. Mr. Spear said the general attitude was that "all *cacos* were to be killed. It was guerilla warfare. . . ." Cf. also court-martial testimony of Captain Hamilton. *Ibid.*, p. 598.

198. *Ibid.*, p. 465, 466. Cf. also the testimony of Captain Lavole. *Ibid.*, p. 469.

199. *Ibid.*, p. 598. In explaining this order, Major Williams later stated that "It is a strong tradition in the military service that every offense is followed by the issuance of an order forbidding everyone else to do the same thing."

200. *Ibid.*, p. 471. Cf. the Turner testimony. *Ibid.* In one case a gendarmerie captain admitted to Colonel Catlin that he had ordered six men shot without trial, but the Colonel did not prefer any charges because he did not think the captain would be convicted. *Ibid.*, p. 661.

201. *Ibid.*, p. 435, 1722.

On October 15, 1919 the Brigade Commander, referring to charges that prisoners had been shot without trial and that houses had been ruthlessly burned, issued an order to the effect that if any member of the Marine Corps, the United States Navy, or the Haitian gendarmerie was guilty of the illegal killing of any person, he would be tried for murder or manslaughter.<sup>202</sup>

Although the Barnett letter in regard to "indiscriminate killings" was marked "personal" and "confidential," the Navy Department in Washington, apparently by mistake, gave it out to the press.<sup>203</sup> The letter created a furor which led the Navy Department to send a commission of inquiry to Haiti under Admiral Mayo. The commission declared that isolated acts of the kind reported had occurred, but that the general charges against the marines were thoroughly unwarranted. The commission went on to say that considering conditions of service in Haiti, it was "remarkable that the offenses were so few in number." They believed these offenses might all be chargeable "to the ordinary defects of human character." The general conduct of the troops could be fairly judged, they said, from the results of the occupation, which had brought security to Haiti. The court declared that there was no basis for the charge in General Barnett's letter, and that charges which had been published were "ill-considered, regrettable and thoroughly unwarranted reflections on a portion of the United States Marine Corps, which has performed difficult, dangerous and delicate duty in Haiti in a manner which, instead of calling for adverse criticism, is entitled to the highest commendation."<sup>204</sup>

In the meantime, Haitians had organized the *Union Patriotique*, a body which now declared that the Mayo inquiry was a fraud. In a memorial of May 1921, the *Union Patriotique* gave twenty-three instances in which atrocities were alleged to have been committed by American authorities. These included beating of prisoners, branding with red hot irons, forcing natives to dig their

202. General Barnett testified that these killings had taken place under Colonel Russell who had not, however, brought them to his attention. In a confidential letter of December 7, 1919 Colonel John H. Russell wrote that "it appeared that in numerous instances Haitian prisoners were summarily executed without trial. . . ." *Ibid.*, p. 1830.

203. For the controversy between General Barnett and Secretary Josephus Daniels over the question, cf. *ibid.*, p. 432.

204. *Ibid.*, p. 85.

graves and then shooting them without trial.

In the 1920 election campaign Mr. Warren Harding denounced the occupation of Haiti under the Wilson administration, and, partly as a result of the protest of the Haitians and the campaign of the *New York Nation* and various organizations, the Senate in 1921 authorized a committee to investigate the occupation of both Haiti and Santo Domingo.

This committee, the chairman of which was Senator Medill McCormick, held hearings in Washington, Haiti and Santo Domingo between May 1921 and June 1922. It declared that it was reasonably satisfied that ten cases of unauthorized executions of captives had taken place. Of the three American officers responsible, one was dead, a

second insane, and the third had been discharged from the service. It concluded that the accusations of military abuses were limited in point of time to a few months and in location to restricted areas and that they were directed against very few of the many Americans who have served in Haiti. While it expressed "chagrin at the improper or criminal conduct of some few members of the Marine Corps," it condemned the efforts of individuals and committees "to bring into general disrepute the whole American naval force in Haiti." The committee expressed its "admiration for the manner in which our men accomplished their dangerous and delicate task." It did, however, condemn the use of the *corvée* system which carried laborers away from their homes, and the failure to require daily operation reports from patrol leaders.<sup>205</sup>

### THE POLITICAL CONTROVERSY

Despite the suppression of the Haitian legislature, conflicts between the American authorities and the Haitian Executive continued to arise. Most of these conflicts were over the interpretation of the 1915 convention. President Dartiguenave's view was that the convention merely authorized the United States to give advice to Haitian officials, who would continue to be fully responsible for the administration of their departments. He insisted, therefore, upon a restricted interpretation of the convention. Believing that no good could come out of the occupation unless the United States established an effective authority, the State Department demanded a broad interpretation; and in the great majority of cases the American interpretation prevailed.<sup>206</sup>

205. It must be remembered that this investigation was set on foot three or four years after the alleged atrocities had taken place, and that since few records were kept of the detailed military operations, cross-examination of witnesses was the chief means of verifying the facts, that this cross-examination had to take place through interpreters, and that in many cases the witnesses were primitive and totally uneducated people. The Senate committee declared that the testimony of most native witnesses was highly unreliable and ought to be closely scrutinized, adding that many unfounded accusations had been made. A Haitian writer states that the habit of telling the truth is a quality which "seems lacking in the great majority of Haitians." He attributes this to the colonial régime, under which it was necessary for the slaves to deceive their masters. Bellegarde, *Pour une Haïti Heureuse*, Vol. I, p. 169.

206. *Foreign Relations*, 1916, p. 332. Following the signature of the convention of September 1915, the two governments entered into supplementary agreements, fixing the salaries of American officials and providing for the organization of the gendarmerie.

Thus in negotiating a gendarmerie agreement, the State Department demanded that the direction of posts and telegraphs and other services be handed over to the gendarmerie. Haiti, however, insisted that nothing in the 1915 convention gave to the United States authority over these services.<sup>207</sup> It was finally agreed that the telephones and telegraphs should be placed under the American treaty engineers.<sup>208</sup>

Another difference of interpretation arose in regard to the appointment of customs employees. The convention of 1915 authorized an American General Receiver to "collect, receive and apply" all customs duties. It was the contention of the Haitian government, however, that the office of the General Receiver should be distinct from the ordinary customs service, and that the Haitian government should retain the exclusive power to choose the personnel in this latter service. The United States denied this interpretation, and the Haitian government (March 26, 1917) gave way, but expressly reserved the right to arbitrate the question.<sup>209</sup> Today the entire customs personnel of Haiti is "nominated" by the American Receiver.

207. *Borno Report*, p. 196.

208. *Foreign Relations*, 1916, p. 337. Further controversies arose over putting the *modus vivendi* into effect. Cf. p. 347. *Borno Report*, p. 8, 216, ff.

209. This point was covered by the interpretative commentary of the Haitian Chamber, cf. p. 347; *Ibid.*, p. 217.

## AMERICAN CONTROL OVER EXPENDITURE

The Haitian authorities also contended that the Receiver should hand over the funds collected to the Haitian government for disbursement.<sup>210</sup> They pointed out that the 1915 convention merely stated that the Financial Adviser should "recommend" improved methods of collecting and applying revenues. Nevertheless, a few days before the end of its session in October 1918 the American Financial Adviser sent to the Council of State a number of financial bills, drawn up only in English, including a proposal that the Haitian Minister of Finance should not be empowered to make out any vouchers authorizing payment by the bank unless they had first received the visa of the Financial Adviser. The Financial Adviser asked for an immediate vote on all of these projects so as to enable him to pay certain salaries. The Council of State declared, however, that while it was willing to vote supplementary credits for salaries, it could not accept the other proposals without first examining them; the Financial Adviser had known when the Council of State was to convene, and he should have presented his projects earlier; he had not done so because of a "prolonged and unjustified" absence from the country; his projects contained, moreover, a number of errors, such as estimating certain sums in paper *gourdes* when they should have been estimated in gold. The Council of State declared, moreover, that it could not accept the demand to give the Financial Adviser control over all Haitian expenditures, since this was contrary to the Constitution and to the treaty of 1915.

Colonel John H. Russell, commandant of the Marine Brigade, now intervened, and by virtue of his authority under martial law ordered the National Bank to stop payments to the Haitian government. He then advised the Council of State to put into effect the "finance laws" presented by the Adviser.<sup>211</sup>

210. This is the system followed by the receivership in Santo Domingo, in so far as collections in excess of payments on the public debt are concerned.

211. For the text of his letter, cf. *Documents Diplomatiques*, 1921, p. 33. In 1919 Colonel Russell wrote to the commandant of the Marine Corps in Washington: "Yesterday I accompanied the American Minister on a visit to the President, with the result that one of the cabinet members who has been a great obstructionist has resigned, so that the political situation is also much brighter." Upon another occasion another American official persuaded President Dartiguenave to retain a Minister of Finance, who was "the only minister who really was in favor of American intervention." *Inquiry*, p. 428, 690.

The Financial Adviser also refused to pay the funeral expenses of the Haitian Minister who had just died in Washington, on the ground that the Council of State had not accepted his proposals. In the midst of the controversy *Le Nouvelliste* published a rumor that the Financial Adviser had been recalled. For this offense the military provost court suspended the paper for three months and fined the editor \$300.<sup>212</sup> Deprived of its financial resources, the Haitian government finally agreed on December 3, 1918 that all expenditures should be subject to the pre-audit of the Financial Adviser.<sup>213</sup> It nevertheless appealed to the State Department, asserting that it was only force that had obliged it to surrender. It declared that under the convention the Financial Adviser was merely an adviser, but now he had become supreme over the government. It asked—but unsuccessfully—that its own control over expenditure be restored.<sup>214</sup>

Thus the American authorities secured the right not only to veto any item in the Haitian estimates but to see to it that every expenditure was made in accordance with law.<sup>215</sup> The American authorities believed that to accomplish their purposes it was necessary not only to maintain control over expenditures, but to make sure that no legislation was enacted or interpreted so as to be in conflict with the 1915 convention, as interpreted by the United States. It also insisted that the Council of State enact legislation deemed necessary to reorganize the country.

## VETO POWER IN LEGISLATION

In August 1918 the two governments agreed that "all proposed legislation bearing upon any of the objects of the Treaty should be submitted to the representative of the United States for his information" and, if necessary, for "discussion between the two governments" prior to its enactment.<sup>216</sup> This agreement did not state who should decide whether a given bill related

212. When the Haitian government protested against this among other acts, Secretary Lansing replied that the "sentence is considered as in all ways a proper punishment of the offense committed." *Ibid.*, p. 175.

213. *Ibid.*, p. 36, 48. Cf. also p. 366.

214. *Ibid.*, p. 58.

215. For the veto of educational expenditures, cf. p. 363.

216. *Documents Diplomatiques*, 1921, p. 6.



to the treaty or not, nor did it give a veto power to the United States. Nevertheless, in July 1919 the American Minister protested against the enactment of a law on pensions and one on trademarks on the ground that they had not been approved by the legation. The Haitian authorities declared, however, that these had not been submitted to the legation because they did not concern any article in the treaty. The State Department replied that the President of Haiti had promised the American Minister in November 1918 that to avoid any misunderstanding all proposed legislation would be submitted to the United States. The Haitian government replied that while the United States had advanced such a proposal, the latter had not been accepted.<sup>217</sup>

Following the passage of further laws which the Haitian President declared to be unrelated to the treaty, the Financial Adviser in July 1920 sent a note to the Haitian Minister of Finance stating that it was necessary to suspend consideration of the 1920-1921 budget "until certain matters of considerable importance" had been settled. At the suggestion of the American Secretary of State he also suspended the payment of government salaries.<sup>218</sup>

Following a protest from President Dartiguenave to the effect that this action was an "assault upon the dignity of the Haitian people," the State Department declared that salaries would be paid only after the Haitian government had repealed eleven laws passed "in violation" of the agreement of August 1918, and had enacted four new laws—reaffirming the *gourde* as the legal money, providing for the lease of State land, modifying the charter of the National Bank and providing for its transfer to American interests.<sup>219</sup>

After a bitter controversy, the State Department in October 1920 declared that it would not insist upon the repeal of the eleven laws, but merely upon their modification.<sup>220</sup> For its part, the Haitian government promised in November that it would communicate to the American Legation "every project of law whatsoever" which

implied an interpretation of one of the articles of the 1915 treaty.<sup>221</sup> Since this date it seems that the American Legation has exercised a veto power over all Haitian laws. In some cases the legation delayed two years before expressing an opinion on a proposal.<sup>222</sup>

The American authorities also ignored those Haitian laws enacted before the occupation which in their opinion did not conform to the treaty. In 1918 the Haitian government appointed a commission, in accordance with the customs law of 1905, to decide a dispute between a collector of customs and certain merchants. The General Receiver declared that the appointment of this commission was null and void on the ground that the General Receiver had jurisdiction over all customs disputes. The American Minister declared: "The treaty of 1915 nullifies all Haitian laws which are not in harmony with its provisions. . . ." <sup>223</sup> According to the General Receiver, the appointment of this commission usurped "the powers, duties and rights of the General Receiver of Customs of the Republic of Haiti, whose Executive and Administrative acts and rulings can only be inquired into by the Judicial Tribunals of the Land."<sup>224</sup>

#### HAITIAN COURTS IGNORED

Despite this statement and although the convention is silent as to American control over the courts, the American authorities now ignored decisions of the Haitian courts bearing upon their activities. As an example there may be cited a case in which a Haitian court awarded \$105,000 for damages done to certain land by the government, when appraisers had fixed the damages at \$150. It was reported later that the government attorney, judge and even certain members of the Cabinet and legislature were to receive a portion of the award. The Financial Adviser declined to make the payment ordered by the court, on the ground that it was fraudulent. In another case some goods belonging to Syrian merchants were damaged by rain while in the customhouse. The owners requested the Financial Adviser to pay

217. *Ibid.*, p. 21.

218. Mr. McIlhenny, *Inquiry*, p. 1407, 1435.

219. *Documents Diplomatiques*, 1921, p. 81. Cf. p. 368.

220. *Ibid.*, p. 99.

221. *Ibid.*, p. 27.

222. Cf. p. 361.

223. *Documents Diplomatiques*, p. 200.

224. *Ibid.*, p. 191.



damages. He declined, however, on the ground that under the law the customs administration was liable only for theft. The Syrians then took the matter to the Haitian courts, which awarded damages of \$653. The Receiver declined to pay, on the ground that the courts could not take away the discretion vested in him by the 1915 convention.<sup>225</sup> Not only did the American authorities thus ignore the judgments of Haitian courts, but when Haitian courts and juries acquitted Haitians of violating the rulings of American authorities, these Haitians could be tried by American provost courts.<sup>226</sup>

By such methods the United States established control over the legislative system of Haiti and ignored the local judiciary, thus avoiding two possible obstructions to American administration. President Dartiguenave and his Council of State still remained, however, and as indicated in the last few pages, they opposed vigorously many of the suggestions of the American authorities. Serious conflicts also came into existence over educational questions.<sup>227</sup> The Haitian government, moreover, was loath to enact legislation transferring the National Bank to American banking interests, and authorizing foreign ownership of land upon the terms desired by the United States. Likewise it raised obstacles to the settlement of foreign claims and to the transfer of the collection of internal revenue to the American government. Finally, President Dartiguenave became hostile to the foreign loan, as proposed by the United States.

#### "UNJUST TYRANNY"

In his effort to resist the American establishment of control beyond the Haitian

225. Judgment of Tribunal of First Instance, Port-au-Prince, May 16, 1927, *State vs. the Kawas Hermanos*. Although this case took place after 1922, it is mentioned here since it illustrates a principle established before that date.

226. In 1917 President Dartiguenave declared that the "encroachment of the American Agents is equally felt in the Administration of Justice. . . . There is every necessity that this state of affairs cease as soon as possible." *Exposé Général de la Situation de la République d'Haiti*, 1917, p. 15. However, when American officers in the gendarmerie declined to enforce a sentence against a merchant on the ground that the sentence was unjust, General Catlin, the Brigade Commander, ordered that this action was "entirely without justification. . . . All persons in Haiti, no matter what their nationality, except the military and diplomatic representatives, are subject to the laws of the country. It is not within the province of the Gendarmerie Officers to decide whether a decision is rendered in accordance with the testimony or not, but it is their duty to carry out all orders of the courts which are not palpably illegal or contrary to law." (*Documents Diplomatiques*, 1921, p. 216.)

227. Cf. p. 361.

government's interpretation of the treaty, President Dartiguenave frequently went over the heads of the officials on the spot with direct appeals to Washington. On November 15, 1918 the Haitian government sent a telegram to the State Department declaring that the "Haitian people are at the mercy of a vexatious and unjust tyranny of American officials." Haiti was willing to "co-operate" in bringing about reforms, but it did not wish to submit to "imperative injunctions."<sup>228</sup> The government soon afterwards instructed its Minister in Paris to take up the Haitian question with Secretary Lansing and with President Wilson, then attending the Peace Conference; but the Minister reported that Mr. Wilson was too occupied with other affairs to give him an interview.<sup>229</sup> The government likewise attempted to send Mr. Borno, the Foreign Minister, to Washington to take up the difficulties in person; but allegedly because of intimidation by the American officials on the spot he failed to go.<sup>230</sup>

At the request of the State Department for details in support of past charges, the Haitian government dispatched a long memoir on January 25, 1919, summarizing its complaints. A second long protest was sent on April 5. The Haitian government declared that the *caco* revolt was due to the corvée system and to the brutalities of gendarmes under American command. It declared that there was general discontent because of the maintenance of martial law, the "excessive severity" of the provost courts, the violation of the Haitian Constitution by American officials, the failure to pay interest on the Haitian debt, the "systematic refusal of the American occupation to take account of the views of the Haitian government," the failure of the United States to cooperate with the Haitians and, after three years, to bring about any economic reforms. What was needed in the American Occupation was "a knowledge of the true needs of the people, and of its mentality." Active sympathy was of more importance than "military power."<sup>231</sup>

In October Secretary Lansing replied that the American officials in Haiti declared that

228. *Documents Diplomatiques*, 1921, p. 41.

229. *Ibid.*, p. 53.

230. Bellegarde, *Pour Une Haïti Heureuse*, Vol. II, p. 94.

231. *Ibid.*, p. 41, 173.

the Haitian charges were groundless. Haiti had appealed for justice; in reply, the government of the United States desired to point out "that the courts of Haiti are open and are solely under the control of the government of Haiti." Mr. Lansing declared that the treaty officials were well aware of the "mentality" of the Haitians, but without the "constant cooperation" of Haitian officials, conditions could not improve as rapidly as desired. He closed by expressing the hope that the government would "see the advisability of appointing officials who will lend efficient assistance in this respect."<sup>232</sup>

In August 1920 the Haitian government declared that the 1915 convention provided for "cooperation" but that the American Minister and the Financial Adviser neither "discussed" nor "advised." They regarded their decisions as orders which the local government was expected to carry out. They vetoed Haitian proposals without giving any reasons, and demanded that the Haitian government accept their projects "without discussion." About this time the Haitian Cabinet considered the advisability of appealing to the League of Nations against the United States, under Article X of the Covenant.<sup>233</sup>

At the time of the Mayo inquiry, President Dartiguenave gave out a long statement to the accompanying newspaper men, criticizing the American régime.<sup>234</sup> And following the American election of 1920, President Dartiguenave on January 24, 1921 sent a long message to President Harding, who had criticized the Haitian occupation during the election campaign. He expressed the hope that a new administration at Washington might mean a change in Haitian policy. The convention of 1915 might have been made in the interests of Haiti, but "by the fault of American officials the Haitian people had reached the conclusion that this convention had been imposed upon them, not as a beneficent necessity, but as a violence to the profit of others." American officials had made no effort to understand the Haitian people. They had declined to cooperate with the Haitian officials. President Dartiguenave

asked that the organization of the gendarmerie should be improved, and, when this had been accomplished, that the troops of occupation should be withdrawn. He asked for the suppression of the provost courts: the respect of Haitian rights under the Constitution; assistance in the improvement of Haitian finance and education; cooperation of American officials with the Haitian authorities, and a definition of the powers of the Financial Adviser in accordance with the convention.<sup>235</sup>

#### PRESIDENT BORNO'S ELECTION

President Dartiguenave's term of office came to an end in 1922. Despite the fact that he was a candidate for re-election, and had appointed the members of the Council of State, the Council nevertheless selected Louis Borno as President. The statement has been made that Borno secured election by bribing members of the Council.<sup>236</sup> The statement has also been made that to aid his election Borno was loaned about \$25,000 by the Royal Bank of Canada. There is no evidence available, however, to show that the American authorities influenced the election of the President in 1922 as they had in 1915, in spite of the fact that President Dartiguenave had proved distasteful to the United States, and that his attitude was holding up the loan.<sup>237</sup>

Nevertheless, with the election of President Borno, the opposition of the Haitian government to the demands of the American authorities came to an end. The Borno government now transferred the National Bank to American interests, consented to the establishment of a claims commission and contracted a foreign loan. It also consented that the United States take over the administration of internal revenue, the direction of the medical school and agricultural education—which the previous administration had opposed.<sup>238</sup> In return, the American authorities supported President Borno against possible attacks from his enemies.

Between 1915 and 1922 the Haitian government had attempted to retain its admin-

<sup>232</sup>. *Ibid.*, p. 177.

<sup>233</sup>. *Ibid.*, p. 84, 105, 148.

<sup>234</sup>. For the text, cf. *ibid.*, p. 154.

<sup>235</sup>. He also asked that the offices of Financial Adviser and General Receiver be combined. *Ibid.*, p. 229; cf. also p. 365.

<sup>236</sup>. P. H. Douglas, "The American Occupation of Haiti," Part II, *Political Science Quarterly*, June 1927, p. 256.

<sup>237</sup>. Cf. p. 369.

<sup>238</sup>. Cf. p. 361.

istrative independence, subject only to the "advice" of the officials named in the convention of 1915. During this period the United States demanded, however, that the treaty officials receive authority to make their advice effective, and to carry out the objects of the intervention. It was the American view that the Haitian officials were completely lacking in administrative fitness, and that they were chiefly interested in exploiting the peasant population and indulging in various forms of graft. The Americans believed that the Haitian officials repeatedly raised objections to the American demands not because of any disinterested desire to protect Haitian "independence," but simply because the granting of these demands would end their exactions upon the Haitian people.

The Senate Investigating Committee in its report of 1922 declared, however, that not only had certain Americans been chosen for service in Haiti who were unsuited to their tasks, but that they had been transferred from one responsible post to another before they could very well have learned the duties to which they had been appointed. It declared that the United States had failed to develop a definite and

constructive policy under the treaty or to centralize responsibility.

#### THE FIRST AMERICAN HIGH COMMISSIONER

In December 1921 the chairman of the Senate committee declared that a high commissioner should be appointed to coordinate the activities of the treaty officials. In 1922 the State Department appointed to this post Brigadier-General John H. Russell, who had formerly served in Haiti.<sup>239</sup> Although his appointment was not referred to the Senate for approval,<sup>240</sup> General Russell was given the diplomatic rank of Envoy Extraordinary. Originally it was announced that he was sent to "investigate," but later it was stated that his task was to coordinate American activities. Since the death of Minister Bailly-Blanchard in 1925 no American Minister to Haiti has been named. Thus the appointment of General Russell as High Commissioner and the election of M. Louis Borno as President inaugurated a new era in the American occupation of Haiti. Thenceforth the American officials and the Haitian authorities pursued a policy of cordial cooperation. Opposition to the Occupation and to its policies, however, was now transferred to Haitians outside the government.<sup>241</sup>

### PART THREE ACHIEVEMENTS OF THE OCCUPATION, 1922-1929

Owing to the World War and to the difficulties between the Haitian and American governments which have already been described, little progress in the material regeneration of Haiti was made until after 1922. Since that date, however, the American Occupation, working in cooperation with the Haitian authorities, has undertaken to carry out a rehabilitation program of sweeping character. The immediate duty of the Occupation was to bring to an end the conditions of disorder and the revolutions which had recurrently disturbed the country, particularly between 1911 and 1915. The Occupation also attempted to give to Haiti a system of communications and public works which would

make possible the economic development of the country. Its third objective was the improvement of public health—a task of particular importance in a tropical country. Its fourth purpose was to install a system of agricultural and vocational education, which would teach Haitians the dignity of labor and show them how to promote the agricultural development of their country. A fifth aim was the financial and economic reorganization of the country. Finally, the American Occupation was confronted with questions of method—how to bring about the necessary reforms and how to teach the Haitian people to govern themselves so that, if and when the United States leaves the island, there shall not be

239. His appointment was criticized on the ground that General Russell had been the brigade commander in Haiti under whom alleged abuses had occurred. *Inquiry*, p. 1519.

240. Cf. H. M. Wriston, *Executive Agents in American Foreign Relations*, 1929, p. 803.

241. Cf. p. 388.



a recurrence of the same conditions which led to the intervention.

This work has been undertaken under the direction of the American High Commissioner and the treaty officials, assisted by about 200 other Americans. Although in the adjoining Dominican Republic American authorities established a military government to the exclusion of all Dominican authorities,<sup>242</sup> in Haiti the American Occupation has governed in collaboration with the President, the Cabinet and the Council of State. It should be pointed out, however, that as far as international affairs are concerned, Haiti has maintained its independence throughout the period of intervention, participating ostensibly upon a basis of equality with other States in the Pan American Union and the League of Nations.

#### I. MAINTENANCE OF ORDER AND SECURITY

One of the most obvious accomplishments of the American Occupation has been the establishment and maintenance of order and security in Haiti. Since the end of the *caco* revolt in 1920, the country has enjoyed a period of tranquillity. It has been free from fighting, and also from the petty exactions imposed under the old régime. A peasant recently stated to a treaty official:

"Formerly we had no peace. My sons were taken away from me, my crops were destroyed. You have come and given us peace. I can now work my garden and sell my crops. I am protected and assisted. We would fight for you!"<sup>243</sup>

It is the belief of many observers that as a result of the American Occupation the people of Haiti have come to understand the advantages of order and stability.

To do away with instruments of revolution, the American Occupation has eliminated the old Haitian army and disarmed the people. The convention of 1915 provided for the establishment of a gendarmerie—or *Garde*, as it has been officially termed since November 1928—as the sole military and police organization. Many officers of the *Garde* are appointed by the President of Haiti upon nomination by the President of

the United States.<sup>244</sup> Although appropriations for the *Garde* are included in the budget of the Haitian Department of the Interior, the commandant depends directly upon the President of Haiti. At present the *Garde* has an authorized strength of 2,537 men, and its cost absorbs 15.69 per cent of the annual revenue of the government.

American officers testify that Haitians make good soldiers and are capable of becoming well-disciplined. In 1928 re-enlistments in the *Garde* were 93.6 per cent, while desertions were only .0063 per cent.<sup>245</sup> Originally nearly all of the non-commissioned and commissioned officers in the gendarmerie were American Marines, many of them privates. But in 1927 the commandant of the gendarmerie announced a policy of increasing the number of Haitian officers.<sup>246</sup> Under this policy the proportion of Haitian officers went up from 19 per cent in 1922 to 38 per cent in 1928. In two of the twenty-one districts and in half of the sub-districts the officers were entirely Haitian. In 1928 4 out of the 21 gendarmerie captains were Haitian, 13 out of 53 first lieutenants and 40 out of 77 second lieutenants. The American authorities look forward "to the eventual change of the *Garde* into a force wholly officered and manned by Haitian personnel."<sup>247</sup> Haitian officers are trained at the *Ecole Militaire*.

At present the Haitian *Garde* does far more than maintain order. It is in charge of the prisons;<sup>248</sup> through the Coast Guard it maintains and operates lighthouses; it is also in charge of radio receivers and equipment; it conducts road censuses; it controls traffic, supervises the sale of arms, and organizes and controls certain fire departments; it has constructed and maintains 293

244. For the protocol of 1916 fixing the size and cost of the gendarmerie, cf. *Foreign Relations*, 1916, p. 334. The agreement has been amended from time to time. *Ibid.*, 1917, p. 809 ff. An act of Congress of 1916 authorized the President to detail officers and enlisted men in the Navy and Marine Corps to assist the Haitian government. Vol. 39, Part I, U. S. Statutes 223 (64th Congress, 1st Session, 1916).

245. *Report of the Commandant, Garde d'Haiti*, 1928, p. 21. The ordinary death rate in the gendarmerie increased from 9.9 per cent in 1927 to 14.0 per cent in 1928. This increase was due to the fact that gendarmes who formerly were discharged upon contracting tuberculosis were now allowed to remain, some of them dying in the service. Thirty-seven per cent of the deaths were due to tuberculosis. *Ibid.*, p. 34.

246. In 1922 General Smedley Butler, at one time commandant of the gendarmerie, said, "If I had charge, I would appoint no Haitian officers of the gendarmerie, because they will abuse the natives." *Inquiry*, p. 534.

247. *Report of the High Commissioner*, 1928, p. 37.

248. The death rate in the Haitian prisons for 1927 was 38.1 per thousand; in 1928 it was 29.2, or twice the *Garde* death rate. In New York State in 1927 the prison death rate was only 7.2 per thousand.

242. Sumner Welles, *Naboth's Vineyard*, Vol. II, Chapter XIV.

243. *Report of the High Commissioner*, 1928, p. 2.



miles of telephone lines; it has a system of military intelligence by which all persons "of potential danger to security and order" may be kept "under efficient surveillance in any part of the island."<sup>249</sup> Officers of the gendarmerie act as advisers to the communal governments and as representatives of the executive power in local courts.

## II. ROADS AND PUBLIC WORKS

In pursuing its second objective—the construction of a system of communications and public works—the American Occupation has apparently gone on the theory that "improved roads are an index to the industrial development of any country."<sup>250</sup> Progress along administrative, educational and health lines has likewise been recognized to depend upon the construction of public buildings, including schools and hospitals. The efficiency of a public works department, as the experience of pork-barrel legislation and municipal politics generally in the United States shows, depends not only upon the technical competence of engineers, but also upon the honesty of governmental administration, both of which qualities seem to have been deficient in Haiti prior to the American intervention.

While the Haitian government had paved certain streets in Port-au-Prince before the American Occupation, and had built the National Palace and the Caserne Dessalines,<sup>251</sup> and while a few miles of road were in existence, most of the public works in Haiti today are the result of the American Occupation. They have been carried out by the *Direction Générale* of Public Works, headed by an engineer in chief from the Engineers' Corps of the Navy who is technically responsible to the Haitian Minister of the Interior. The number of American engineers in the department has increased from 10 in 1923 to 29 (including foremen) in 1928; 11 of the 29 are treaty engineers.<sup>252</sup> The

number of Haitian commissioned engineers and architects has increased from 19 in 1923 to 27 in 1928.<sup>253</sup> A Haitian engineer is assistant director in each of the seven departments into which the engineering service is divided.

As a result of the activities of the American Occupation more than a thousand kilometres of road have been constructed and today 1,500 kilometres are maintained. Likewise a large number of buildings have been erected, such as the *Palais de Finance*, the gendarmerie headquarters, the College of Damien, the Haitian General Hospital, the *Palais de Justice*, and numerous other buildings, including barracks, schools and dispensaries. The American Occupation has also paved additional streets in Port-au-Prince; covered the country with an efficient telephone and telegraph system; improved water works and drainage; operated 137 kilometres of irrigation canals; constructed four concrete wharfs and one timber wharf at various ports; and increased the number of lighthouses from four to fifteen.<sup>254</sup> The expenditure on public works has increased from one-sixth of total expenditures in 1925 to one-third in 1928.<sup>255</sup>

While many Haitians appreciate these public works, critics assert that much unnecessary construction has taken place. They hold that a costly and elaborate survey of the Artibonite valley proved of no value to the people; that Port-au-Prince has been favored in contrast to the rest of the country; that native trails have not been kept up, but that an over-elaborate highway system has been developed which will be difficult both from the financial and technical standpoints for an independent Haitian government to maintain. They complain that convict labor has been used by the gendarmerie in road work.<sup>256</sup>

## III. PUBLIC HEALTH

In an undeveloped country, particularly if located in the tropics, disease is likely to

<sup>249</sup>. Report of the Gendarmerie, 1927, p. 10.

<sup>250</sup>. Report of the Senate Investigating Committee, No. 794, p. 2.

<sup>251</sup>. Two monuments to the energy of King Christophe are the Palace of Sans Souci and the Citadel of La Ferrière, the ruins of which may still be seen at Cap-Haitien. Many public works under the old régime in Haiti were built by foreigners. Thus foreign concessions were granted in the case of the electric light system of a number of cities, in the construction and operation of wharfs, and in other matters. Cf. p. 334.

<sup>252</sup>. Nine out of the ten treaty engineers in 1923 were naval officers. Report of the Engineer in Chief, 1927-1928, p. 12, 16.

<sup>253</sup>. *Ibid.*, p. 12; also *ibid.*, 1922-1923, p. 1. Several Haitian engineers received their training in France; others attended the local engineering school, which is in private hands.

<sup>254</sup>. Cf. the charts in the Report of the High Commissioner, 1928, p. 81 ff., and the article by Captain F. H. Cooke, *The World* (N. Y.), February 24, 1929, in reply to a critical article by Mr. N. B. Marshall in *The World* of February 10, 1929.

<sup>255</sup>. Report of the High Commissioner, 1925, p. 14.

<sup>256</sup>. Auguste, "La Corvée et la Direction Générale des Travaux Publics," *La Presse*, September 12, 1929.

be widespread and private physicians few. Under such conditions the promotion of public health and hygiene becomes a government responsibility of extreme importance. In the case of Haiti the 1915 convention authorized the United States to improve the "sanitation" of the country. And toward this end the Occupation has established the *Direction Générale* of the Public Health Service, responsible to the Haitian Minister of the Interior. The service is headed by an officer of the Medical Corps of the United States Navy, and contains about 36 other Americans, of whom 17 are medical officers from the United States Navy. The service also contains about 41 Haitian commissioned physicians.<sup>257</sup>

In 1926, after a long controversy, the Haitian government placed the National Medical School under the control of the American authorities.<sup>258</sup> Government funds were now appropriated to erect a new building, the equipment of which was purchased with a grant of \$30,000 from the Rockefeller Foundation. This foundation also established fellowships which made it possible for a number of Haitian doctors to carry on special studies at medical schools in France and the United States. Upon their return to Haiti they became professors in the medical school. At present all lectures in the school are given by Haitian doctors. The Americans act only as supervisors in the laboratory work and elsewhere. Through the medical school a corps of Haitian doctors is thus being trained. American physicians assert that Haitians make excellent surgeons.<sup>259</sup>

The actual Public Health Service maintains ten hospitals, each of which is the capital of a health district, under the charge of an American health officer with a Haitian assistant. The number of admissions to hospitals increased from 7,608 in 1924-1925 to 8,844 in 1927-1928. In the British colony of Kenya, having about the same population

as Haiti, native admissions to hospitals in 1923-1924 were 25,990, or nearly three times the number of admissions in Haiti.<sup>260</sup>

The Haitian medical service, however, has emphasized the establishment of rural clinics, the number of which increased from 16 in 1924-1925 to 139 in 1928.<sup>261</sup> During this period the total number of consultations at such clinics increased from 146,579 to 866,673. The latter figure is more than five times as large as the number of admissions in Kenya dispensaries (163,603), and it is nearly four times as large as dispensary admissions in British Uganda (240,000); 8.9 per cent of Haitian government expenditures, or 40 cents per capita, goes to public health, in comparison with 9.65 per cent in British East Africa, 6.84 per cent in British West Africa, and 11.34 per cent in Porto Rico.

The most serious diseases to be combated in Haiti are hookworm, syphilis, tuberculosis and malaria. The Haitian Public Health Service has attacked these diseases not only by curative treatment, such as injections, but wherever possible by a system of sanitation. The department feels, however, that illiteracy is a bar to further progress. "At every turn one is confronted with a wall of superstition and ignorance."<sup>262</sup>

Apparently the health situation is also influenced by the general under-nourishment of the population. The diet consists of beans, dried fish and fruit, but is lacking in meat. Although Haiti is an agricultural country, 30.02 per cent of all imports in 1927-1928 consisted of foodstuffs, the most important being wheat flour, smoked or salted fish, and rice.<sup>263</sup> The improvement of the diet of the Haitian peasant would seem to depend more upon a development of native agriculture than upon the work of public health officers. Most Haitians agree that the Public Health Service is efficiently conducted and that it has greatly benefited the country.

#### IV. THE EDUCATIONAL SYSTEM

To establish a system of agricultural and industrial education that will eventually lead to the economic development of the

country has been a fourth objective of the American Occupation. The need of a proper

257. *Report of the Director General, Public Health Service, 1927-1928*, p. 140.

258. July 16, 1926, *Le Moniteur*, 1926, p. 354. Cf. also law of December 5, 1924, *ibid.*, 1924, p. 631.

259. Cf. p. 330.

260. Buell, *op. cit.*, Vol. I, p. 336.

261. *Report of the Sanitary Engineer, 1924-1925*, p. 60; *ibid.*, 1927-1928, p. 16.

262. *Report of the Director General, Public Health Service, 1928*, p. 2.

263. *Financial Adviser, 1927-1928*, p. 168.

type of educational system has been recognized by many Haitians; and between 1915 and 1922 the Dartiguenave government made several attempts to bring about educational changes and to obtain larger funds for the Department of Public Instruction. Each attempt was blocked, however, by the American authorities, who took the view that the Haitian school system was hopelessly corrupt and inefficient and that enlarged appropriations without American control would simply increase existing evils. They also declared that revenues were as yet inadequate to meet any but essential needs. The Haitian government, on the other hand, contended that the United States deliberately followed a policy of blocking Haitian initiative so that "nothing would be undertaken in Haiti, the credit for which could not wholly be attributed to the Americans."<sup>264</sup>

A case in point was the bill passed in 1918 by the Haitian Council of State, providing for a system of agricultural education and inspection and for the abolition of the *corvée*. The American commandant of the gendarmerie, while commending the Haitian Minister of Public Instruction for his "energy" and "competence," expressed opposition to the proposal. In August 1918 the Haitian government presented the agricultural law to the American Legation for approval. Two years later President Dartiguenave complained that the legation had made no reply in regard to a project which was of "the greatest importance for Haitian agriculture."<sup>265</sup>

Upon several occasions the Haitian government attempted to establish normal schools to train elementary teachers, only to have each attempt vetoed by the Financial Adviser or the American Minister. In one case the appropriation of a monthly sum of only \$603 was involved. In another it was a question of permitting the Fathers of the Holy Spirit to open a normal school at Port-au-Prince without additional expense to the government.<sup>266</sup> A Haitian project to authorize a Catholic order to open a trade school was similarly vetoed, as was a proposal of the Council of State to utilize certain unex-

pended funds to establish six scholarships in the girls' normal school.<sup>267</sup> The Financial Adviser vetoed at least three attempts to impose taxes for school purposes.<sup>268</sup>

Defeated in its attempt to train elementary teachers, the Haitian government now attempted to improve instruction in the *lycées*. After long negotiation, the French government agreed to allow three professors to come to Haiti from France to give *lycée* instruction. Since the project called for an appropriation, it was necessary to gain the consent of the American Financial Adviser. After delaying more than a year in giving a reply, because of absence in the United States,<sup>269</sup> the Financial Adviser at first asked that the contracts be modified so that the professors would have to teach 25 hours instead of 15 hours a week, and so that their salaries would be reduced from \$250 to \$200 a month. He finally vetoed the project entirely.<sup>270</sup> Shortly afterward the same official, fearing the spread of plague from New Orleans, ordered the employment of two professional rat-catchers at salaries of \$250 a month.<sup>271</sup> Some Haitians complained that the Financial Adviser in long and expensive trips to the United States expended large sums which would have been more profitably used for educational purposes in the country itself.

Difficulties also arose over the school of medicine. President Dartiguenave asked six of the professors in this school to resign because they had not voted for the Constitution of 1918; after protests had been made, however, the President reinstated them. The American in charge of hygiene, Commander McLean, now asked that the medical school be suppressed, on the ground that its work was inefficient and that the school was controlled by politics. He believed it should be supplanted by an establishment directed by Americans. Commander McLean is then reported to have ordered all the equipment of the National Medical School forcibly thrown into the street. The explanation given for this action was that the building

<sup>267.</sup> *Ibid.*, p. 212, 204, 208.

<sup>268.</sup> *Ibid.*, p. 74, 219.

<sup>269.</sup> Apparently in connection with loan negotiations. Cf. p. 370.

<sup>270.</sup> Bellegarde, *Pour Une Haïti Heureuse*, Vol. II, p. 181, 188.

<sup>271.</sup> Cf. President Dartiguenave's interview with American newspaper men, 1920. *Inquiry*, p. 20.

<sup>264.</sup> Bellegarde, *Pour Une Haïti Heureuse*, Vol. II, p. 242.

<sup>265.</sup> *Documents Diplomatiques*, 1921, p. 84.

<sup>266.</sup> Bellegarde, *Pour Une Haïti Heureuse*, Vol. II, p. 178, 201.



was to be utilized for the school of dispensers established by American authorities.<sup>272</sup>

#### AMERICAN SUPERVISION OF EDUCATION

Although the convention of 1915 did not expressly give the United States control over education, the American Occupation in 1917 invited a Mr. Bourgeois, a county superintendent of schools in Louisiana who spoke French fluently, to come to Haiti as Superintendent of Public Instruction. He was paid a salary of \$5,000 a year.<sup>273</sup> In the following year the Financial Adviser asked the government to appoint 26 North American school inspectors—a suggestion which Haiti declined. On June 13, 1920 the American Superintendent sent a memorandum to the Haitian government, stating that the Haitian people would not support any attempt at educational reform “if it came from members of their own race”; he therefore demanded the appointment of six American inspectors and asked that the number of Haitian teachers be reduced from 1,300 to 400.<sup>274</sup> Apparently this demand was prompted by the belief that many of the Haitian teachers were political appointees who did no work, and that the reduction of teachers would make possible an increase in salaries. The Haitian government, however, indignantly asked for M. Bourgeois’ resignation—a request with which he complied.

On December 3, 1920 Major-General Lejeune, commandant of the United States Marine Corps, wrote that the Navy Department would “be pleased to assist” in establishing an efficient educational system in Haiti.<sup>275</sup> Apparently inspired by this letter, the State Department sent a memorandum to the Haitian government on December 21, 1920 asserting that there had been no tangible improvement in the educational system since 1915, and that while the convention did not specifically include education, it was “evident that the obligation of the United States under the treaty to assist in the carrying out of plans for the prosperity of

the Haitian Republic comprises the duty of aiding the Haitian government in every proper way to establish the system of public instruction on a sound foundation. . . .”<sup>276</sup> The State Department asked the Haitian government to appoint a technical adviser on education, to be nominated by the Department of State and to appoint a commission of three Haitians and three Americans—including the technical adviser—to study the educational needs of the country. In reply the Haitian government declared that the United States had no obligation under the convention of 1915 other than to lend financial assistance to the Haitian government so as to develop the existing system, which was based on the most modern methods of public instruction in France.

#### “THE SERVICE TECHNIQUE”

Although the Dartiguenave government declined to enter into an agreement in regard to education, the Borno government in 1922 established a Service Technique of Agriculture,<sup>277</sup> and in 1923 made an agreement providing for the nomination by the United States of an agricultural engineer at a salary of \$10,000 and an assistant at a salary of \$7,500.<sup>278</sup> On February 25, 1924 the Council of State passed a law which created the Service Technique as a technical branch of the Haitian Department of Agriculture, and provided for a Central School of Agriculture.<sup>279</sup> Six technical departments were created within the service, under such American officers as the director of the experiment station, a chemist, a veterinarian, a botanist, an entomologist and an animal husbandman. Forestry and market experts and soil surveyors were later added. The Service Technique also organized a system of agricultural and industrial education. At present there are about 30 Americans holding positions in the Service Technique.<sup>280</sup> The agricultural service expended \$434,000 in 1927-1928, or 5.30 per cent of the total expenditures. This service maintains the *Ecole Centrale* for the purpose of training agricultural and industrial teachers and

272. Bellegarde, *Pour Une Haïti Heureuse*, Vol. II, p. 215.

273. Mr. McIlhenny, *Inquiry*, p. 1349. S. G. Inman, *Through Santo Domingo and Haiti*, p. 76.

274. For the Haitian government’s reply, cf. Bellegarde, *Pour Une Haïti Heureuse*, Vol. II, p. 239.

275. *Inquiry*, p. 87.

276. *Documents Diplomatiques*, 1921, p. 233.

277. Law of December 22, 1922, *Le Moniteur*, 1922, p. 641.

278. Cf. *Ibid.*, 1923, p. 400.

279. *Ibid.*, 1924, p. 89.

280. In 1927-1928 a total of 377 persons were employed, of whom 89.4 per cent were Haitian, in contrast to 74 per cent in 1923-1924.



technicians.<sup>281</sup> About 173 students are enrolled, and the program of study lists more than a hundred courses. The teachers in the schools are for the most part Americans.

In addition to training teachers, the Service Technique maintains a system of rural farm schools and demonstration farms. In 1928, 48 such schools, each headed by a Haitian teacher, enrolled 5,464 students. It is planned eventually to increase the number of such schools to 500. Instruction is given in Creole and in French.<sup>282</sup> The students are taught manual training, garden practice, the growing of crops and the care of animals. The better students from these rural farm schools may go to the agricultural high school at Plaisance and then to the *Ecole Centrale*. Altogether about 8,000 students attend the schools of the Service Technique. Finally, the department has taken over the supervision or management of a number of industrial schools. It maintains 20 demonstration farms, it operates coffee and livestock experiment stations and a dairy, 7 demonstration coffee mills, and has 13 farm advisers. In 1926 the Service distributed 575 cows to Haitian peasants. It holds agricultural and industrial fairs. In 1927-1928 travelling inspectors held 2,287 veterinary clinics at which nearly 67,000 animals were treated. Finally, under the auspices of a Director of Marketing, it is attempting to improve the quality of Haitian exports so that they will bring better prices. With this end in view the Haitian government in 1929 enacted a law establishing a Central Commission on Standardization, for the purpose of standardizing and grading exports of coffee, cotton, cacao and sisal. Violations of this law may be punished by fines ranging from 5 per cent to 20 per cent of the value of the products exported.<sup>283</sup>

While the Service Technique has thus made an earnest effort to install a system of agricultural and industrial education, at least three criticisms against its work have been made. First, few American teachers—in the beginning at least—spoke French fluently, with the result that Haitian interpreters had to be used in the class room,

with a resulting loss of time. Few teachers, it is alleged, had any previous knowledge of tropical agriculture. Furthermore, many American teachers came from the southern part of the United States, and reflected the southern attitude toward the Negro. Again, the American Occupation in Haiti has not utilized any American Negro teachers, nor has it employed any of the thoroughly trained Negro agricultural instructors from Jamaica or Trinidad. Finally, it is declared that Haitian instructors are not being trained to take the place of Americans,<sup>284</sup> that the Service Technique has grown so rapidly that its expenditures of money have not always been wise and that adequate results have not yet been attained. There is widespread skepticism among both Haitians and Americans as to the effectiveness and practicability of the work of the Service.

#### HAITIAN-CONTROLLED EDUCATION

While the authorities have thus appropriated large sums for agricultural instruction, which is in American hands, appropriations for Haitian education proper, which remains under the Minister of Public Instruction, are today smaller than they were in 1914-1915.<sup>285</sup> Between 1919 and 1928 the general revenues of the government increased about 75 per cent, but the appropriations for education administered by the Haitian Minister of Public Instruction increased only 7 per cent.<sup>286</sup>

Teachers in the ordinary Haitian schools receive a salary sometimes as low as \$6 a month. The American Financial Adviser has objected to the appointment of teachers at such inadequate salaries, but the Minister of Public Instruction, it is stated, desires to appoint as large a number of teachers as possible, for political reasons, regardless of salaries. The Financial Adviser has uniformly failed to approve increases in these salaries, although the Haitian teachers in the agricultural schools under the Service Technique receive much larger sums. Haitian critics resent this rigid limitation of educational expenditures by the Haitian Minister of Public Instruction, especially

281. "Programme de l'Ecole Centrale d'Agriculture," *Service Technique du Département de l'Agriculture*, Bulletin, No. 4, 1926-1927.

282. Haiti, Service Technique du Département de l'Agriculture, *Rapport Annuel*, 1925-1926, p. 47.

283. Law of June 13, 1929. English text in *Monthly Bulletin*, Financial Adviser-General Receiver, August 1929, p. 17. Cf. p. 388.

284. Logan, *op. cit.*; Davis, *op. cit.*, p. 286.

285. Appropriations for education in 1914-1915 were \$423,017. *Inquiry*, p. 1349; in 1927-1928, \$413,800.

286. Logan, *op. cit.*, p. 71.

because the Service Technique, in proportion to its students, is given an appropriation ten or eleven times as large as that of the Haitian Department of Public Instruction. They also declare that the appropriation of \$40,000 for a radio station in Port-au-Prince might better have been expended on Haitian schools. They declare that the programs broadcast for the benefit of the Haitian people consist of a 15-minute talk by an American officer, followed by an hour or so of the latest jazz.

American officials justify holding down expenditures in the Haitian school system on the ground that without American direction the Haitians are incompetent administrators and that the funds placed in their hands have been wasted. Secondly, they declare that the Haitian system is academic, whereas the country needs vocational training such as the Service Technique gives.

Many Haitians resent the efforts of the United States to extend control over their educational system, both out of fear that it will become Anglo-Saxonized and because of a conviction that American instructors cannot have the proper sympathy for Negroes.

Thus the educational system in Haiti today is divided between the Service Technique, which is under American control and which is training about 8,000 Haitians, and the Haitian educational system, which attempts to educate about 95,000 natives or approximately one-quarter of the potential school population. The appropriations for the Service Technique are about as large as the appropriations for the Haitian educational system.<sup>287</sup> The present policy is to continue but not appreciably augment appropriations for schools under the Haitian Minister of Public Instruction, employing increased appropriations for enlarging the scope of the Service Technique.

The following comment on the general educational situation in Haiti by an American Negro, Professor Rayford Logan, is of interest:

"In seven years, America is to leave Haiti according to the present treaties. If the present policy continues, the Occupation will have left as an educational heritage to Haiti a quarrel over the type of education similar to the one that for years divided American Negroes into fol-

lowers of Dr. Du Bois and those of Dr. Booker T. Washington. It has taken the American Negro twenty years to understand that both academic and vocational training are necessary and to admit that in some sections of the country peculiar emphasis can be laid on vocational training without implying the inherent inferiority of the Negro. If the Occupation cannot so direct the thinking of the Haitians as to avoid this chasm, it will have learned nothing from the experience of its own subjected people. Before 1915 Haitians considered vocational training as beneath them. The apparent attempt is now being made to convince them that vocational training, in the eyes of the American, is the *only* kind that should be served up to them. The natural result is a hostility that will quite probably cause the overthrow, if and when the Haitians regain their independence, of the whole structure that has been erected so laboriously and so expensively. There is yet time for the Occupation to revise its attitude on this important question and to train Haitians to think that instead of conflict between the two systems there is coordination. Otherwise our educational policy in Haiti will have been as disastrous as was that of the Haitians themselves prior to 1915."<sup>288</sup>

Dr. A. C. Millspaugh, former Financial Adviser, states:

"It must be pointed out that . . . unless the Department of Public Instruction is prepared to assume eventually the administration of all the schools, there is grave danger that, when American control is removed, education in Haiti may suffer a quick reversion to the pre-intervention type."<sup>289</sup>

#### EDUCATIONAL EXPENDITURES

Leaving aside this division of the Haitian educational system into two types, how does the financial effort of Haiti on behalf of education compare with that of other territories? Total expenditures upon the Service Technique and upon other Haitian schools consume 10.32 per cent of Haitian expenditures. This compares with 28.18 per cent in Porto Rico<sup>290</sup>—another territory under American control—9.43 per cent in Ecuador, 4.81 per cent in Venezuela, and 21.51 per cent in Costa Rica. Porto Rico has less than half the population of Haiti, yet has almost twice as many pupils in its schools.<sup>291</sup>

<sup>288</sup> Logan, *op. cit.*, p. 76; also Carré, "La Réforme de l'Enseignement Primaire," *La Presse*, September 2, 1929.

<sup>289</sup> A. C. Millspaugh, "Our Haitian Problem," *Foreign Affairs*, July 1929, p. 566.

<sup>290</sup> As of 1927-1928; in other years the Porto Rican percentage has been higher.

<sup>291</sup> Total enrollment in Haitian schools is 107,551; in Porto Rico, 213,321.

<sup>287</sup> In 1927-28 there were 2,170,000 *gourdes* for the Service Technique and 2,059,000 *gourdes* for the Haitian system.

Only one-fourth of the Haitian children of school age are receiving education.<sup>292</sup>

The Financial Adviser declares that while in comparison with more advanced countries the percentage of funds expended

upon education in Haiti may be small, "it should be kept in mind that Haiti in the early stages of development has required a disproportionately large expenditure on the establishment of order and security and on public works."<sup>293</sup>

## V. FINANCIAL AND ECONOMIC REORGANIZATION

The fifth aim of the American Occupation has been the financial and economic reorganization of the country—a task to which the American officials have devoted perhaps their greatest energies. This section of the report will be discussed under three main headings: (1) the establishment of a system of financial administration, (2) the liquidation of foreign claims, (3) emigration and land problems.

The chaotic condition of Haitian finance has already been described.<sup>294</sup> Formerly it was impossible for the government to know its exact financial standing at any time; accounts were kept both in dollars and *gourdes*, and there was the greatest confusion and even dishonesty in the administration of public funds. It was to bring about an improvement of Haitian finance that the convention of 1915 authorized the appointment of the General Receiver and the Financial Adviser, nominated by the President of the United States. In 1923 these two offices were combined and the salary (including allowance) was eventually increased to \$15,000, in order to attract a man of ability. Today there are about 20 Americans and 271 Haitians in the office of the Financial Adviser-General Receiver. The customs collectors at two-thirds of the twelve ports of entry are Americans.<sup>295</sup>

The 1915 convention limited expenses of the Financial Adviser and General Receiver to 5 per cent of the customs collected, unless modified by agreement of the two governments.<sup>296</sup> Since 20 per cent of this fund is paid to the National Bank as its commission for treasury services, the re-

ceivership costs are actually limited to 4 per cent of the customs revenue. In only one year (1920-1921) have the ordinary operating expenses of the receivership exceeded the 4 per cent fund. The surplus accumulated in other years has been devoted to permanent improvements, such as the construction of the Ministry of Finance building, and of customs warehouses. Pending their expenditure certain balances have temporarily been placed in Series B bonds.<sup>297</sup>

In 1924 the Haitian government authorized the American officials to take over the collection of internal revenue including land rentals and emigration fees.<sup>298</sup> As a result, receipts from this source increased from about 2,796,000 *gourdes* to 4,090,000 *gourdes*, without instituting new taxes. The collection of internal revenue is now in the hands of a Director of Internal Revenue—an American—who receives a salary of \$7,500, and has several American assistants.<sup>299</sup>

Collection costs of internal revenue are limited to 14 per cent of total receipts, one per cent going to the National Bank. This maximum has never been reached, the highest collection costs amounting to 9.89 per cent in 1927-1928.<sup>300</sup>

One of Dr. W. W. Cumberland's first acts as Financial Adviser-General Receiver was to establish an adequate accounting system, and to abolish the system of reckoning accounts partly in dollars and partly in *gourdes*. At present all government accounts are kept in *gourdes*. It is possible now to know the exact financial position of the government at any time.

292. *Financial Adviser*, 1927-1928, p. 91.

293. *Ibid.*, p. 91.

294. *Cf.* p. 335.

295. The collector does not handle any customs receipts. He merely assesses the duty and the merchant concerned makes payment to the local branch of the National Bank, which credits the receivership.

296. This limitation is found also in the Dominican receivership.

297. *Cf.* p. 370. Also *Financial Adviser*, 1927-1928, p. 38, 42.

298. Law of June 6, 1924, *Le Moniteur*, 1924, p. 267.

299. This department relies largely upon the customs collectors to act also as collectors of internal revenue. In order to administer the excise law of 1923, this department has appointed an additional American official to supervise the work of 22 new Haitian inspectors. The department employs in addition 85 rural agents, all of whom apparently are Haitians. *Financial Adviser*, 1927-1928, p. 146.

300. *Ibid.*, p. 50.



## THE HAITIAN TARIFF

Having established control over both internal and external revenues and having installed modern accounting methods, the American officials next brought about tax reforms. Until recently the Haitian tariff was based on a law of 1858, as revised in 1905. From the administrative standpoint the law was extremely confusing and complicated. Moreover, it imposed both export and import duties; in fact at one time more than half the customs revenue came from export duties. The latter bore heavily upon the main export, coffee. The import schedules taxed luxuries such as wines and tobacco lightly, but imposed comparatively heavy duties upon articles consumed by the poorer classes.

The American authorities believed that the tariff should be simplified, thus removing obstructions to trade. They also believed that the duties on luxuries should be increased and that protection should be given to potential domestic industries, while export taxes should eventually be abolished—apparently on the theory that such taxes bear most heavily upon the peasant producers. Consequently in July 1926 the Haitian Council of State enacted a new tariff law. Criticizing many of the features of the former tariff, the Haitian Chamber of Commerce<sup>301</sup> declared that generally the duties were too high and would lead to an increase in the cost of living, a decrease of imports,<sup>302</sup> and an increase of emigration. It particularly criticized the proposal to place duties on agricultural machinery and on primary schoolbooks, which had formerly been admitted free. Although General Russell declared that these criticisms were usually "born of political reasons, self-interest or lack of knowledge,"<sup>303</sup> an act was passed on July 25, 1928 removing the duties on certain agricultural machinery and books, and reducing other rates. Duties on liquor, on the other hand, were increased.<sup>304</sup> The average level of import duties in Haiti is about 29 per cent.

301. *Mémoire sur le régime douanier d'Haiti*, presented to the Third Pan-American Commercial Conference.

302. Imports declined from 94,257,000 *gourdes* in 1925-1926 to 78,756,000 in 1927. But in the following year they were increased to 101,241,000 *gourdes*.

303. *Report of the High Commissioner*, 1926, p. 12.

304. Duties on primary schoolbooks were not removed, on the ground that they could be produced in Haiti. *Financial Adviser*, 1927-1928, p. 35.

Steps were also taken to increase internal revenue by the imposition of new taxes. Before 1928 internal revenue was derived largely from stamp sales, telephone and telegraph services, emigration fees, and the income tax.<sup>305</sup> On August 14, 1928 the Council of State enacted a law imposing an excise tax on alcohol and tobacco—the first internal tax upon these articles. It was provided that after October 1929 the President might reduce or abolish export duties to the extent that equivalent revenue was secured from these new excise taxes.<sup>306</sup> Much opposition has been expressed by Haitians to the new taxes and a number of "incidents" over their collection have occurred.<sup>307</sup> In fact, despite strenuous efforts, returns from internal revenue have remained almost stationary since 1924-1925, while the proportion of internal to total revenue has actually declined.<sup>308</sup> At present about one-twelfth of total revenue comes from internal taxes.

This failure to increase internal revenue Americans believe to be due partly to the disinclination of the Haitian élite to pay taxes. The Haitians for their part complain that they are being over-taxed.

## CONTROL OVER EXPENDITURE

The American officials have undertaken not only to improve the administration of revenue, but also to establish control over public expenditure.

The expenditures of the Haitian government are authorized in an annual budget and in supplementary and extraordinary credits, voted by the Council of State. Every January the Financial Adviser sends a letter to the Haitian Minister of Finance asking him to advise the other members of the Cabinet to make up the budgets for the forthcoming year. The Financial Adviser and the Haitian Minister of Finance coordinate and revise the various estimates thus drawn up, and then submit them to the Council of State, which votes the budget usually with-

305. Cf. p. 373. In 1927-1928 emigration fees fell from first to third place as a source of internal revenue, after the suspension of emigration to Cuba.

306. *Le Moniteur*, 1928, p. 276. Between 1923 and 1929 the relation of export duties to customs receipts declined from 33.34 per cent to 28.64 per cent.

307. Cf. "Après la taxe sur le Tabac . . ." *Le Nouvelliste*, September 10, 1929, "Le sang coule," *Le Temps*, July 19, 1929.

308. In 1924-1925 total receipts were 40,487,667 *gourdes*, while internal revenue amounted to 4,089,926 *gourdes*; in 1927-1928 total receipts were 50,421,016 *gourdes*, while internal revenue amounted to 4,241,621 *gourdes*.



out change. There have been cases, however, in which the American High Commissioner and the Haitian President have agreed on large appropriations, subject to formal approval by the Council of State, without the consent or even the prior knowledge of the Financial Adviser.

In authorizing expenditures voted in the budget, the office of the Financial Adviser follows in general a pre-auditing system. That is, when a government department wishes to pay a bill, it makes out a voucher in triplicate, one copy going to the Haitian Minister of Finance, and a second to the American Receiver. The third remains in the departmental office. The Haitian Minister of Finance ascertains whether the payment called for is in accordance with the budget and whether value has been received; if so, he signs the voucher and sends it to the Financial Adviser, who makes an independent inquiry. If the latter is satisfied, he also signs the voucher and sends it to the disbursing officer, an American, who draws a check upon the National Bank. There are certain exceptions to this pre-audit system, such as in the case of salaries, rentals and pensions, which, however, are subject to other methods of control, such as salary lists. The Financial Adviser believes that more post-auditing should be done, but states that further progress has not been made because of the limitation imposed by the 5 per cent fund.<sup>309</sup>

Under this system the Haitian Minister of Finance is not entrusted with the disbursement of funds. He seems to have less responsibility in this respect than the Porto Rican treasurer in Porto Rico, or the illiterate treasurer in native States in Africa under British control.<sup>310</sup> American officials declare that greater responsibilities cannot be imposed on Haitians because Americans are not in control of the courts, and therefore embezzlement could not be punished.

As a result of the methods of financial control installed by the American Occupation, the unobligated cash balance of the government has increased from about \$1,400,000 in 1924 to more than \$3,870,000 in 1928—or two-fifths of the annual revenue. The maintenance of a large disposable re-

serve by the government has been justified on the ground that short-term borrowing is impracticable and that government revenues, which are largely dependent on agricultural exports, fluctuate with crop and trade conditions, and emergencies are likely therefore to occur.<sup>311</sup> Critics assert, however, that instead of piling up large surpluses and making premature amortization payments on the debt, the government should increase appropriations for teachers' salaries and other welfare purposes,<sup>312</sup> or reduce taxes.

Thus, as a result of American financial administration, government revenues are larger than before the World War, trade has increased during the last ten years, the foreign debt has been reduced, and foreign claims liquidated.<sup>313</sup> Moreover, the Haitian budget has been balanced, the floating debt wiped out, the currency stabilized, and a large unobligated cash balance built up. Liens upon customs duties have been removed.

Again, under the present system, Haitian government officials receive their salaries promptly and regularly and these salaries are paid in cash. The flagrant misappropriation of funds by Haitian officials likewise seems to have come to an end.<sup>314</sup>

#### LIQUIDATION OF FOREIGN CLAIMS

Other difficult tasks of a financial nature were the reorganization of the National Bank, the refunding of the French loans and the liquidation of claims. It will be recalled that in 1914 the Haitian government and the bank were involved in a dispute over funds to be devoted to monetary reform, and that the *Machias* transported to New York \$500,000 in gold, the ownership of which Haiti claimed.<sup>315</sup> Following

311. *Financial Adviser*, 1927-1928, p. 103.

312. Cf. p. 363.

313. Cf. p. 371.

314. Much of the credit for financial reform has been given to the Financial Adviser, Dr. W. W. Cumberland, who served from January 1924 to December 1927. His successor, Dr. A. C. Millsbaugh, states that the progress of Haiti "bears witness to his organizing ability, his sound judgment, and his skillful, energetic and prudent administration." (*Financial Adviser*, 1927-1928, p. 121.) Dr. Cumberland received a Ph.D. in economics from Princeton, and has had long academic and practical experience in economic questions. His successor, Dr. Millsbaugh, received a Ph.D. in political science from Johns Hopkins and has been a professor and an economic adviser in the State Department; later he became Administrator General of Finances in Persia (1922-1927). He resigned in 1929 from the position of Financial Adviser of Haiti after a controversy with General Russell. M. de la Rue, the present Financial Adviser, was previously Financial Adviser to Liberia, where he was instrumental in negotiating the Firestone concessions. (Buell, *op. cit.*, Vol. II, p. 850.)

315. Cf. p. 337.

309. *Financial Adviser*, 1927-1928, p. 117.

310. F. P. A. *Information Service*, Vol. IV, No. 23, "The Problem of Porto Rico," p. 442; Buell, *op. cit.*, Vol. I, p. 698, 702.

this and other incidents, the government deprived the bank of its right to hold government funds.

#### SETTLEMENT WITH THE NATIONAL BANK

One of Admiral Caperton's first acts after the occupation of Haiti was to restore to the National Bank the treasury service of the government. After heated arguments at Washington, the Haitian government and the bank in 1916 succeeded in settling their past differences. Haiti agreed that the bank should continue to perform the treasury service of the government in accordance with the 1910 contract. The bank agreed to return to Port-au-Prince the balance of the 10,000,000-franc loan of 1910 as a measure to carry out monetary reform.<sup>316</sup> It also agreed to waive certain claims and commissions, as well as its preference in so far as loans made in the United States were concerned.<sup>317</sup>

Early in the American occupation the National City Bank gained control of the National Bank of Haiti. In 1917 it bought up the stock held by the other American parties in the bank,<sup>318</sup> giving it a total of 8,000 out of 40,000 shares; in 1920, at the suggestion of the State Department, the National City Bank bought up the remainder of the stock (held by French interests) for \$1,400,000, on the understanding that the charter of the bank would be transferred to a subsidiary of the National City Bank.<sup>319</sup> Believing that a number of provisions in this charter were burdensome to Haiti, the State Department, in a conference in February 1920, induced the National City Bank to accept nine modifications. It was provided, for example, that the rate of commission for the treasury service should be reduced and that profits from the coinage of new fractional currency should be credited to the government. It was also provided that the bank should be a Haitian corporation. Although the bank was willing to pay the government interest on credit balances, the provision was finally stricken out, apparently at the insistence of Haitian officials, who,

recalling the *Machias* incident of 1914, believed that if the bank paid no interest it would be obliged to keep the balance on deposit in Port-au-Prince.<sup>320</sup>

Having accepted the nine modifications proposed by the State Department, the National City Bank insisted that its monopoly of the right to issue paper money in Haiti should be protected. It also wished to maintain the parity of Haitian currency which had recently been stabilized. Consequently it was proposed that the Haitian government should authorize the Financial Adviser, in consultation with the bank, to restrict the importation of foreign currency.<sup>321</sup> This provision called forth vigorous protests to the Haitian government from the British, French and Italian Legations and various local business houses, on the ground that it would give a special privilege to the National City Bank, to the detriment of other concerns. In reply the Financial Adviser declared that this provision was necessary to prevent speculation, and that the Haitian government had already promised to adopt it.<sup>322</sup> When the Haitian government, however, declined to accept this restriction in regard to foreign currency, the State Department authorized the suspension of salaries.<sup>323</sup> The American government, in the meantime, authorized the National City Bank to operate in Haiti under the French charter.<sup>324</sup>

The Haitian government remained obdurate until after the election of President Borno, who agreed, however, to transfer the charter of the National Bank to a Haitian corporation—a subsidiary of the National City Bank of New York.<sup>325</sup> While the new contract is more favorable to the Haitian government than the former one, the bank receives a commission for its treasury services, ranging in accordance with Haitian

320. Douglas, *op. cit.*, p. 387.

321. *Inquiry*, p. 1424; *Documents Diplomatiques*, 1921, p. 115 ff.

322. A similar provision had been accepted by Haiti in a currency agreement of 1919, but had not been enforced.

323. This was only one of a number of incidents which led to suspension of salaries. Cf. p. 353.

324. *Documents Diplomatiques*, 1921, p. 123.

325. Contract of July 18, 1922, *Le Moniteur*, 1922, p. 389. The currency agreement of April 12, 1919 provides that for the present the issue of bank notes shall be limited to \$4,000,000, and cannot at any time exceed three times the amount of the bank's paid-up capital. The notes are to be guaranteed not only by the cash reserve of one-third of their value but also by an additional reserve of commercial paper to cover the remainder of their value. A tax of one per cent is to be imposed on any note circulation in excess of \$2,000,000. (*Inquiry*, p. 1422.)

316. Cf. p. 336.

317. *Foreign Relations*, 1916, p. 358.

318. Cf. p. 334.

319. Mr. R. L. Farnham, *Inquiry*, p. 106.

revenues from \$60,000 to \$100,000 annually.<sup>326</sup> A second source of profit to the bank lies in its monopoly of note issue. In the third place the bank is not obliged to pay any interest on the credit balance of the Haitian government. Actually, however, the Financial Adviser maintains the larger part of the cash balance on deposit "in New York funds."<sup>327</sup> Interest upon the balance in New York is based upon the average rate paid by the bank upon all foreign deposits. At one time the rate paid on a certain balance was 2½ per cent; it is understood that the rate slightly increased during 1928. In the absence of a detailed report, it is impossible to determine whether or not the actual profits of the National Bank arising out of its privileges are large. The Financial Adviser reports that interest rates are generally high.<sup>328</sup> But it is understood that these rates average lower than in any of the other West Indian branches of the National City Bank.

#### PROJECTED LOAN FOR HAITI

Although the Haitian government had not defaulted in interest payments upon its foreign debt in 1914-1915, the American Occupation suspended payment of interest and sinking fund upon the internal and external debt on the ground that the revenues of Haiti were inadequate to meet these charges.<sup>329</sup> As far as the foreign debt was concerned, payments were regularly resumed only in 1920.<sup>330</sup> Whereas before the World War the total debt of Haiti was about \$35,800,000, by 1922 it had decreased to \$17,800,000, a decrease largely due to depreciation of the franc.<sup>331</sup>

While Admiral Caperton and the Haitian government early urged a loan for Haiti,

and while the United States government in 1917 received authority under the Liberty Loan act to make an advance to the Allies as it did to Liberia,<sup>332</sup> the Washington government made no loan or financial advance to Haiti during or after the World War. It did attempt, however, to arrange for a loan to Haiti from private American bankers.

Owing to the war and unfavorable conditions in Haiti, the State Department was not able to arrange such a loan until seven years after the intervention. Believing that bankers would not make a long-term loan to Haiti if the American occupation was to last only ten years, the United States brought pressure to bear upon Haiti in 1917 to extend the life of the 1915 convention from ten to twenty years.<sup>333</sup>

#### THE 1919 PROTOCOL

A further step in the direction of a loan was taken with the signature of an important protocol in October 1919, in which Haiti agreed to establish a Claims Commission and to contract within two years a national loan, whose total was not to exceed \$40,000,000. It was provided, moreover, that the American customs receivership should continue during the period of the loan, which was fixed at 30 years.<sup>334</sup>

During the remainder of President Dartiguenave's term, a number of difficulties arose in putting this protocol into effect. The State Department "strongly recommended" that the Haitian government authorize the Financial Adviser to negotiate for an issue of short-term notes and bonds.<sup>335</sup> The Haitian government, however, did not wish to contract a foreign loan as large as that contemplated by the United States, nor did it wish to convert the internal debt into foreign obligations. It asked that the internal bond issues of 1912, 1913 and 1914 be excluded from the

326. Before the World War the bank commission averaged about \$100,000—a sum which the State Department considered "excessive." (*Inquiry*, p. 1422.) At that time, however, Haitian funds were smaller than at present. Cf. p. 379. The present commission is paid by 20 per cent of the "five per cent fund."

327. *Financial Adviser*, 1923-1924, p. 77. In 1927-1928, 26,108,278 *gourdes* were in New York, and 4,961,995 *gourdes* were in Haiti. (*Ibid.*, 1927-1928, p. 102.) It is understood that the policy of the Financial Adviser has been to use a large part of the unobligated cash balance for the purchase of Haitian bonds, which yield approximately 6 per cent. These bonds are not cancelled but may be sold if the cash is later required. Thus, in actual practice, a satisfactory return is obtained.

328. *Financial Adviser*, 1927-1928, p. 119.

329. Cf. Lansing's dispatch of October 10, 1919. *Documents Diplomatiques*, 1921, p. 176.

330. *Inquiry*, p. 1227.

331. Cf. table, *Le Moniteur*, September 25, 1922, p. 471.

332. Buell, *op. cit.*, Vol. II, p. 811, i. e., Haiti became eligible for such a loan following its declaration of war on July 13, 1918.

333. Cf. p. 347.

334. Protocol of October 3, 1919 (Malloy, *Treaties of the United States*, Vol. III, p. 26). Article I declared that it is clearly understood that this protocol does not in fact or by implication extend the provisions of the treaty of September 16, 1915.

335. *Documents Diplomatiques*, 1921, p. 141, 147. It was also declared that "the interest of the State Department in the flotation of this loan will be made evident to the bankers. . . ." *Ibid.*, p. 152.



jurisdiction of the Claims Commission and that the Financial Adviser resume the interest payments on internal bonds which had been suspended since 1915. In a memorandum of November 22, 1920, the Haitian government asked that the 1919 protocol be amended. It stated, later, that it would be impossible for it to authorize Mr. McIlhenny, the Financial Adviser who had suspended Haitian salaries, to negotiate the loan. The State Department expressed confidence in the Financial Adviser and ordered him to come to Washington to handle loan matters.<sup>336</sup> Mr. McIlhenny remained in Washington from October 1920 to March 1922 for this purpose.<sup>337</sup>

In November 1921 the Dartiguenave government informed the State Department that the two-year period fixed for loan negotiations in the 1919 protocol had come to an end and that the protocol therefore had lapsed;<sup>338</sup> but the United States insisted that this point be "waived." In the meantime the Haitian government had failed to appoint its representative to the Claims Commission. It declared in December that it could accept a loan only upon the adoption of some thirteen stipulations.<sup>339</sup> Several witnesses testified before the Senate committee in 1922 that sentiment of many Haitians was "overwhelmingly" against the loan on the ground that it involved a prolongation of American control.<sup>340</sup> No agreement could therefore be reached with President Dartiguenave; but following the election of President Borno in 1922, the loan negotiations were resumed. In June 1922 an exchange of notes modified the 1919 protocol and granted several of the demands of the former administration. Thus the internal bond issues were exempted from the jurisdiction of the Claims Commission.<sup>341</sup> And on June 26 the Council of State authorized a loan of \$40,000,000. In the following two years, the Hai-

tian government contracted the following loans:

1. Series A—from the National City Bank .....	\$16,000,000
2. Series B—an internal loan .....	5,000,000
3. Series C—in exchange for National Railway Bonds .....	2,660,000
TOTAL .....	\$23,660,000

### THE THREE HAITIAN LOANS

The purpose of the Series A loan was to retire the French debt, provide funds for the payment of claims, and construct public works. The purpose of the Series B loan was to provide funds for the awards of the Claims Commission and to consolidate the internal debt. The purpose of the Series C loan was to settle the difficulties arising out of the guarantee of interest by the government upon the bonds of the National Railway.

Sealed bids were solicited for the first loan of \$16,000,000 which was awarded to the National City Company of New York at a bid of 92.137.<sup>342</sup> The loan was sold to the public at 95.50. These terms seem to be the most favorable ever received by Haiti, and presumably they were the result of American control.

Provision for the retirement of the French loan was now made.<sup>343</sup> The reports of the Financial Adviser do not give a detailed summary of the use to which proceeds of the Series A loan were put; but it is understood that only about half of the \$16,000,000 loan was necessary to retire the French debt, and that the remainder was used to provide cash for the payment of claims, for the railroad settlement, and for the construction of public works.

The Series B loan of \$5,000,000, the purpose of which was to consolidate the internal debt of Haiti, was an internal issue.

342. Contract of October 6, 1922, *Le Moniteur*, 1922, p. 537.

343. Some French bondholders declined to accept paper francs, and instead demanded gold, on the ground that the loan contract of 1910 spoke of a "gold loan." But in the law approving the contract the Haitian government had deleted the word "gold." (*Financial Adviser*, 1923-1924, p. 83.) The question is still pending. The United States Supreme Court has declared that "an obligation in terms of the currency of a country takes the risk of currency fluctuations and whether creditor or debtor profits by the change the law takes no account of it." (*Deutsche Bank v. Humphrey*, (1926), 272 U. S. 517, 519.) The World Court has decided that a loan issued by Brazil in France is to be repaid in gold francs; but in this case the original loan contract had specifically provided for payment in gold. (Case of Brazilian Loans, *Collection of Judgments*, No. 15, 1929.)

336. *Documents Diplomatiques*, 1921, p. 153-166.

337. *Inquiry*, p. 1409. Two similar trips had previously kept him away from Haiti about seven months. Bids were received for this loan from the National City Bank, the Speyer-Blain Syndicate, and from Lee, Higginson and Company. *Ibid.*, p. 1414.

338. *Documents Diplomatiques*, 1922, p. 99.

339. *Ibid.*, p. 117.

340. *Inquiry*, p. 1215, 1456. Of course 90 per cent of the population was unaware of the negotiations.

341. Malloy, *op. cit.*, Vol. III, p. 2683. Cf. *Mémoire* of June 7, 1922, *Le Moniteur*, 1922, p. 278.



In 1922 the Haitian government made an agreement with the holders of the internal bonds issued in 1912-1914, whereby interest would be paid up to December 31, 1922, but under which the principal was scaled down by amounts varying from 5 to 25 per cent, depending upon the issue.<sup>344</sup> A Haitian testified before the Senate committee in 1922 that under pressure of poverty many Haitians had been forced to sell these bonds at a heavy discount, and that "almost without exception they were purchased by the National City bank or individuals close to it."<sup>345</sup> On the other hand, there is reason to believe that many of these bonds had always been held by foreigners.

In December 1922 the Claims Commission was established—consisting of one American, one Haitian, and one Cuban—to examine all claims against Haiti, whether from citizens or foreigners.<sup>346</sup> This commission, which sat for more than three years, heard 73,269 claims involving nearly \$42,000,000. It allowed claims totalling \$3,526,170.08, or 8.85 per cent of the amounts demanded. The costs of the commission equalled 5.82 per cent of the sums awarded. A number of observers testified to the high quality of the commission's work.<sup>347-348</sup>

About one-third of the awards, or something over a million dollars, was paid in cash derived from the Series A loan, while the remaining two-thirds were paid in Series B bonds.<sup>349</sup>

344. *Report of the High Commissioner*, 1923, p. 3.

345. *Inquiry*, p. 1467.

346. Indebtedness represented by the French bonds, sums due the National Bank, the railway and certain other concessionaires, were exempted, as well as the internal debt represented by the bonds issued in 1912-1913, and 1914. During the consideration of French, British and Italian claims, a Frenchman, Englishman or Italian, as the case might be, took the place of the Cuban member of the commission or his successor. In 1925 Haiti agreed that France might take certain French claims to a Franco-Haitian tribunal upon appeal from the Claims Commission. (Treaty of June 12, 1925, *Bulletin Officiel du Département des Relations Extérieures*, Octobre-Novembre 1926, p. 1.)

347-348. In a number of judgments the commission refused to allow damages in favor of holders of revolutionary bonds. Thus in the case of the *Fequière* Commission claims, the Claims Commission declared that "foreigners are prohibited from taking any part in the internal politics of the country in which they reside" and that the lending of money to insurgents constituted a serious breach of international law. The commission also laid down the rule that in cases where it was not established that the government actually received the sum represented by a "compensable" bond, only 50 per cent of the value of such bonds would be allowed. The judgments of the commission have not been officially published, owing to a lack of appropriations. Nevertheless a number of them have been printed in *Le Moniteur*, 1926, p. 211 ff; 1926, p. 355.

349. *Financial Adviser*, 1925-1926, p. 94.

The Series C loan, the purpose of which was to liquidate the difficulties with the Haitian National Railway, amounted to \$2,660,000. In 1917 the Haitian government had agreed to abandon its foreclosure proceedings against this railway, while the road in turn promised to adopt a shorter and more direct route than that set forth in the original contract.<sup>350</sup> Between 1914 and 1922 the revenues of the road barely equalled operating costs and provided nothing for depreciation. Revenues were in fact so small that neither the directors nor the president of the road were paid, and in 1920 a New York court granted the request for a receivership. Mr. R. L. Farnham, the president of the road, was appointed as receiver. In 1924 the court ordered that compensation of the receiver be fixed at the sum of \$100,000. (It is understood that this sum was to cover the salary due Mr. Farnham from 1911 on.) It also fixed his compensation for the next year at \$18,000, but because of the financial situation of the railroad, it is understood that this has not been paid. Finally, it ordered the compensation up to June 30, 1924 of Sullivan and Cromwell, counsel for the receiver, to be fixed at \$80,000, or presumably \$20,000 a year.<sup>351</sup> Because of a pending suit, this receivership was still in existence in November 1929.

In 1923 it was agreed that the Haitian government should pay off interest arrears on the railway bonds to the extent of about \$2,000,000. The bondholders agreed to use \$600,000 of this sum in new construction; of the remaining \$1,400,000 each holder of a railway bond was to receive the sum of \$35.75 in cash as his share of back interest.<sup>352</sup> In addition the Haitian government agreed to exchange railway bonds for government bonds (Series C) at the rate of 75 per cent. What a railway bondholder received under this settlement was thus 75 per cent of the value of his railway bonds in the form of Haitian government bonds, plus \$35.25 on each bond of a

350. *Foreign Relations*, 1917, p. 831.

351. *José M. de Costa vs. Compagnie Nationale des Chemins de Fer d'Haiti*, U. S. District Court, filed July 7, 1924, S.D. of N. Y.

352. The railway also undertook to apply the interest from February to September 1923 to new construction, bringing the total to about \$740,000. Law of December 23, 1923, *Le Moniteur*, 1924, p. 6. This \$2,000,000 in cash came from the proceeds of the Series A loan.

little over \$96 in the form of interest due since 1914.<sup>353</sup>

By this transaction, the Haitian government converted what was theoretically a contingent obligation into an absolute obligation. It reduced the annual interest guarantee of the Haitian government by 25 per cent. The ownership of the road, however, remained in private hands.<sup>354</sup> Its operation is hampered on the one hand by motor transport and on the other by coast-wise shipping. In fact, because of the small size of Haiti, there are observers who believe that the original attempt to construct a railway was unwise.<sup>355</sup>

The allegation has been made that the 1910 railway contract was the product of fraud and that for this reason the Haitian government should not have recognized any obligation to meet the kilometric guarantee. The determination of whether or not such an allegation was sound might have been referred to the Claims Commission. But the 1919 protocol establishing the commission expressly excluded from its jurisdiction the question of whether or not Haiti was liable for interest on the railway bonds.<sup>356</sup> During the last few years the American government at home has secured the cancellation of certain oil leases on the ground that they were tainted with fraud.<sup>357</sup> But in Haiti the United States seems to have followed a different policy. One critic declares:

353. The law of December 23, 1923 also provided that under certain circumstances, the Haitian government might be asked to issue a Series D loan, of \$1,740,000, to be used for new railway construction. In return the government would receive stock in the railway. But following the arrival of Dr. W. W. Cumberland as Financial Adviser, it was decided not to carry out this further provision.

354. The railway carried out new construction as promised and now maintains 186 kilometres of road. During the last two years income has barely equalled expenditure.

355. During 1926-1927 the Haitian subvention to the French Cable Company came to an end because of the expiration of the concession. The Haitian government also deferred payment of the subsidy to the *Compagnie des Chemins de Fer de la Plaine du Cul-de-Sac* on the ground that the company had violated certain stipulations of its contract and that it had lost its public character, being used largely to transport sugar cane for its owner at an inadequate price. In 1926 the customs service turned over the collection of wharfage charges to the wharf company, which, according to the Financial Adviser, thereupon imposed a rate upon flour twice that authorized by law. Following a dispute between the Financial Adviser and the company, a law was passed restoring the collection of wharfage charges to the customs service. The Haitian Court of Cassation declared this law unconstitutional—a decision which the Financial Adviser termed "palpably unconscionable." An agreement was then made whereby the wharf company agreed to lower the duties and to resume collections. *Financial Adviser, 1926-1927*, p. 76.

356. Article III (3).

357. The Supreme Court of the United States ordered restoration of the title of the oil reserve in the Teapot Dome case to the United States, on the ground that "the lease and agreement were made fraudulently by means of conspiracy and collusion." (*Mammoth Oil Co. vs. United States*, 275, U. S. 13, 53.)

"It is probable that had there been no foreign intervention in Haiti, the Haitian government would have refused to meet the interest upon the bonds. . . ." <sup>358</sup>

On the other hand, there is no evidence to indicate that the Haitian government challenged the validity of the railway concession at the time of the 1919 protocol. Moreover, it is the view of some that the only way to cure Haitians of bribery is to make the Haitian government responsible for fraudulent acts of officials.

Such were the Haitian bond issues, a large part of which went to the refunding of the French loan and the internal and railway bonds. It should be pointed out that in these refunding transactions a possibility existed for profit on the part of private individuals. Prior to 1920, interest on the French, internal and railway bonds was in default, and these bonds could be purchased at a low figure. If American or other business men had acquired them during this period, they would have received, as a result of the refunding operations of 1923, the par value, or almost the par value<sup>359</sup> of these bonds, plus the interest which had been in arrears for five or six years.

The purpose of the A, B and C loans having been discussed, the general public debt situation will be briefly described.

#### THE PUBLIC DEBT

The life of each of the Haitian loans is fixed at 30 years, and the interest rate at 6 per cent.<sup>360</sup> Each contract provides that the Haitian government shall make monthly payments to the fiscal agent (the National City Bank) to meet interest requirements and to create a sinking fund large enough to repay the loan by maturity, or, in the case of the A and B loans, by 1952. It is provided, however, that when revenues exceed \$7,000,000 the Haitian government shall increase sinking fund payments up to a maximum of about \$390,000—the so-called Mar-

358. Douglas, quoted in *Occupied Haiti*, cited, p. 44.

359. Minus a 25 per cent reduction in the case of the railway bonds and a somewhat smaller reduction in the case of the internal bonds.

360. Series A and C bonds are payable in dollars in New York, while Series B bonds—an internal loan—are payable in dollars in Haiti. The only substantial difference between the three loans is that the interest on the Series C loan is subject to a 10 per cent Haitian income tax. The security behind each loan is identical.

ket Fund. The loan contract prohibits the Haitian government from calling bonds during the first 15 years; but it does allow it to retire bonds purchased in the market at or below par. If the Market Fund can be exhausted each year by such purchases, the Series A loan will be retired in 1943 instead of 1952, the Series B loan in 1935 and the Series C loan in 1942.<sup>361</sup> Whether or not these maturity dates will be realized will depend not only on the availability of the Market Fund but on the possibility of purchasing Haitian bonds in the open market at a rate not to exceed par.

In 1926-1927 the Haitian government reduced its public debt by more than a million dollars in excess of contractual requirements.<sup>362</sup> A large part of this reduction represented a cancellation of unissued Series B bonds after the completion of the work of the Claims Commission. The reduction in the following year amounted to only about \$147,000 (735,240 *gourdes*), largely because of the high prices demanded for Haitian bonds and the difficulty of purchasing them in the open market. In September 1924 the public debt of Haiti stood at \$24,209,700; in September 1929 it stood at \$17,735,400. Public debt expenditures in 1927-1928 constituted 26.06 per cent of ordinary expenditures. While this is much smaller than the pre-war percentage,<sup>363</sup> one Financial Adviser has expressed the opinion that "in view of the stage of the country's development and the need for constructive and productive expenditure, public debt requirements of Haiti may be regarded as representing a comparatively severe charge upon the income of the State."<sup>364</sup>

#### EMIGRATION TO CUBA

In its work of financial and economic reorganization, the American Occupation has been confronted with problems of emigration and of land ownership. Emigration of Haitian laborers to Cuba, which seems to have come into existence by virtue of the over-population and economic backwardness of Haiti, has become pronounced only within

the last twelve years. The sugar fields in Cuba offer wages two or three times as high as those paid in Haiti, where laborers receive only 20 or 30 cents a day.

Although it is estimated that many of the emigrants in Cuba return to Haiti, it is believed that over 100,000 Haitians are found in Cuba today—a number equal to one-fourth of the adult male population of Haiti. Emigrants to Cuba are usually recruited by agents of Cuban sugar companies, who, according to the Financial Adviser, have sometimes gathered laborers "at the expense of deception and later hardship to the emigrants concerned."<sup>365</sup> There has also been a considerable movement across the border to the Dominican Republic.

Statistics of emigration to Cuba from 1912 to the present are as follows:<sup>366</sup>

Year	Emigrated to Cuba
1912 .....	209
1913 .....	1,512
1914 .....	117
1915 .....	2,490
1916 .....	4,878
1917 .....	10,241
1918 .....	11,268
1919 .....	7,329
1920 .....	30,722
1921 .....	12,567
1922-23 .....	10,152
1923-24 .....	20,117
1924-25 .....	21,517
1925-26 .....	22,970
1926-27 .....	21,619
1927-28 .....	14,098

In February 1924 the Haitian government enacted a law providing for the licensing of emigration agents.<sup>367</sup> Foreign emigration agents must pay a license tax of 25,000 *gourdes*, while Haitian agents pay 500 *gourdes*. These agents are obliged to provide passage for emigrants and to insure them the same wages as are received by other laborers in the district, as well as to guarantee return passage without expense to the emigrant.<sup>368</sup> The Haitian government also imposes a tax of about \$8 upon each

361. *Financial Adviser*, 1927-1928, p. 109.

362. I.e., 5,008,042 *gourdes*, of which 420,000 *gourdes* were for nickel currency reserve. (*Ibid.*, p. 111.)

363. Cf. p. 333.

364. *Financial Adviser*, 1927-1928, p. 92, 110.

365. *Ibid.*, 1925-1926, p. 97.

366. *Ibid.*, 1925-1926, p. 96; 1927-1928, p. 149.

367. The number of licensed agents declined from 27 in 1924 to 4 in 1928.

368. *Le Moniteur*, 1924, p. 106. This act repealed an act of February 16, 1923, *Ibid.*, 1923, p. 101.



emigrant seeking employment abroad.<sup>369</sup> As a result of these taxes, emigration has in many years been a more productive source of internal revenue than any other. The largest return was in 1925-1926 when 1,014,012.50 *gourdes* were collected.<sup>370</sup>

In July 1928 the Haitian government suspended emigration to Cuba, partly because of alleged ill-treatment of Haitians in Cuban sugar fields. But it was resumed in December 1928, as far as laborers imported by companies with Cuban authorization were concerned.<sup>371</sup>

Emigration has been criticized on the ground that it deprives Haiti of its labor supply and tends therefore to retard the country's economic development. It has also been criticized on humanitarian grounds. The French Archbishop of Haiti, Monseigneur Pichon, declared in 1925 that "without any exaggeration, it may be stated that 80 per cent of the emigrants have left the country for good, leaving behind their wives, children, religion, language, and all. Those who return have no other occupation than to recruit new emigrants. . . . It is the greatest catastrophe which has fallen upon this country since its independence." He was reported to have stated that in southern Haiti there are "formerly prosperous regions which are today veritably deserts, although provided with abundant water. In 27 years the South has lost 80,000 souls."<sup>372</sup>

Most American officials have either defended emigration or regarded it as inevitable because Haiti is over-populated and opportunities for local employment are limited. Some of them favor emigration as a source of revenue. In 1928 the American Director of Internal Revenue declared that "the restriction on the Cuban sugar crop having been removed, it would only seem to be necessary for the Haitian government to lift its embargo on emigration for it to become once more a very important source of

income to the government. It is earnestly hoped that the government will take steps to permit resumption of emigration. . . ."<sup>373</sup>

#### THE LAND QUESTION

While the American Occupation does not favor government interference with emigration until opportunities for work exist at home, it has followed a vigorous policy in regard to the clarification of land titles. It is believed that as long as uncertainty exists as to land ownership, economic development will be difficult to achieve.

In colonial times, all land in Saint Domingue was owned by the Crown of France, which alienated large areas to plantation owners. Upon becoming independent, Haiti agreed to pay compensation for these properties.<sup>374</sup> To protect the country against the return of the foreign plantation system, all the Haitian constitutions until 1918 contained a provision prohibiting foreigners from acquiring land by whatever title. Although it was possible to circumvent this provision through mortgages,<sup>375</sup> few foreigners operated plantations in Haiti before the World War. As a result of the insistence of the United States, however, the Constitution of 1918 struck out the land ownership prohibition that had existed for 113 years, and provided that foreigners might acquire property "needed" for their agricultural, commercial, industrial and educational enterprises, but that this right should come to an end five years after the individual foreigner ceased to reside in the country.<sup>376</sup> It is stated that some Haitians favored this amendment.

In a law of July 16, 1920, the Haitian government imposed restrictions upon the right of foreigners to acquire land. This led to a protest from the American Minister that the law was "an erroneous interpretation" of the Constitution, of a nature "to discourage the investment of capital" and a "hindrance to the attainment of the aims of the treaty of 1915." The Minister declared that the law had been passed without his approval and would not be recognized by the government of the United States.<sup>377</sup>

369. Emigration administration in Haiti at times has been an important source of graft. During 1919-1920, 29,181 Haitian laborers went to Cuba, and from each of these laborers the Haitian consul in Cuba collected a fee of \$2. While he was supposed to turn over one-half to the Haitian government, in this year the government received only \$1,984 instead of \$29,181. The American Financial Adviser asked that the consul be prosecuted, but the Haitian government took no action. *Inquiry*, p. 1354.

370. *Financial Adviser*, 1927-1928, p. 149.

371. *Le Moniteur*, December 20, 1928, p. 402.

372. *Bulletin de la Ligue Haitienne pour la Défense des Droits de l'Homme et du Citoyen*, May 1925, p. 8. Cf. the remarks of R. T. Auguste, Conseil d'Etat, *Le Moniteur*, 1925, p. 157. The emigration of Haitian women for immoral purposes has also caused attention. (*Exposé Général de la Situation*, *Le Moniteur*, November 17, 1927, p. 9.)

373. *Financial Adviser*, 1927-1928, p. 149.

374. Cf. p. 332.

375. *Inquiry*, p. 1434; Davis, *op. cit.*, p. 212.

376. Article 5, Constitution of June 19, 1918.

377. *Documents Diplomatiques*, 1921, p. 107.



Although this law was not enforced, it remained on the statute books until 1925. A new law was then passed, one article of which embodied the constitutional provision that a foreigner who leaves the territory for an uninterrupted period of five years forfeits his land. This provision against absentee ownership apparently may be evaded simply by establishing a corporation either under Haitian or under foreign law. A foreign corporation, however, must secure authorization from the Haitian President to transact business in Haiti.<sup>378</sup>

Generally speaking, land in every country may be divided into two classes—that which is owned by the State and that which is owned by private individuals. Upon the establishment of its independence, the Haitian government became the proprietor of vast areas of land. Particularly in 1804, 1827 and 1883, it made distributions of land to ex-soldiers and others. A law of 1883 authorized the sale and conditional concession of public lands; but in 1897 this law was repealed.<sup>379</sup> The government thereafter merely leased land to Haitians.

Periods of leases were from one to nine years, and rents brought in from one to twenty francs a hectare. At present it is estimated that about half of the land belongs to the government.<sup>380</sup> In view of the extent of the mountainous regions, however, only about a third of Haiti's area is productive.

In 1920 the American Financial Adviser drew up a bill which he submitted to the Department of the Interior and the Department of State in Washington and to a "number of big banking corporations in New York to see whether or not it would be a deterrent upon American capital going into Haiti."<sup>381</sup> The bill provided for a 30-year lease of public land to foreigners, with the possibility of a renewal for an equal period. When the Haitian government declined to adopt this bill and certain others, the State Department authorized the suspension of salaries.<sup>382</sup>

#### SISAL CONTRACTS

But since then the Haitian govern-

ment has granted several concessions of State land to American sisal companies for thirty years, subject to renewal for a similar period. These companies promise to pay an annual rent amounting to 6 per cent of the market value of the land at the time of signing the lease. The contracts contain a provision for revising rent in case of renewal of lease. They provide that the company must have planted one-tenth of its land within three years. The State agrees that any export tax on sisal shall not be increased during the life of the contract and promises to do nothing which will establish a preference to the detriment of the company. In other words, the State agrees to treat all concessionaires exactly alike. Differences are to be referred to two arbitrators, one named by the company and one by the Haitian government. If these two cannot select a third arbitrator (in case it should be necessary to appoint one), the Secretary of State of the United States will nominate such an arbitrator, who is to be neither Haitian nor American.<sup>383-384</sup>

The American and Haitian authorities have actively encouraged the establishment of sisal plantations in the territory. Although sisal was grown in Haiti by one native before the occupation, there has been no perceptible expansion of the production of this commodity by native cultivators since that time. The Service Technique, however, has a small gas-engine decorticator, and the results of its experimentation are presumably made available to natives.

#### THE ARTIBONITE CONTRACT

In 1927 an American group, headed by former Congressman W. A. Rodenberg, negotiated with the Haitian government in regard to an irrigation and plantation project in the Artibonite valley—one of the richest valleys in the country. Dr. Elwood Mead, Commissioner of Reclamation in the United States Department of the Interior, came to Haiti to give advice regarding this project. Dr. Mead believed that the productivity of the valley could be increased tenfold by irri-

378. Law of February 13, 1925, *Le Moniteur*, 1925, p. 105.

379. Ganthier, *Recueil des Lois et Actes de la République d'Haiti*, 1887-1904, Vol. II, p. 344.

380. *Financial Adviser*, 1927-1928, p. 70.

381. *Inquiry*, p. 1433.

382. Cf. p. 354; *Documents Diplomatiques* 1921, p. 81.

383-384. For the contract, as approved by law, with the Haitian American Development Corporation, cf. *Le Moniteur*, January 20, 1927, p. 18.

gation. It was conceivable that a foreign concern might install an irrigation project merely and then sell water to native farmers, but this plan was not considered, on the ground that the native farmers lacked both the knowledge and the money to make use of irrigation methods. It was decided therefore that both irrigation and cultivation in the valley should be given over to American enterprise. Nevertheless, native farmers were to be given the right to irrigation water if they so desired. A contract giving an option on such a project until June 1929 was signed by the Haitian government and Mr. Rodenberg on May 12, 1927.<sup>385</sup> The American group was permitted not only to irrigate but also to cultivate the irrigable areas in the valley—estimated to cover 50,000 acres—provided, however, that title to such areas could be secured. How was the American group to secure title to the land? As far as land necessary for irrigation canals was concerned, the government agreed to expropriate private property in case the owner declined to sell, and to lease State land without charge. As far as land for cultivation was concerned, the Haitian government agreed to lease State land at a rent of 6 per cent of the market value,<sup>386</sup> and to give the company preference to State land already under lease if the present holders did not request renewal within 90 days after the termination of existing leases.<sup>387</sup>

Now the Artibonite valley is already densely populated. A report of the Service Technique declares that "every part of the Plain which does not contain too much salt or alkali is occupied by native farmers who cultivate the land. . ."<sup>388</sup> It thus seems obvious that the object of the Rodenberg contract cannot be fulfilled without removing a certain number of the present occupants of the land. Under the terms of the contract, native farmers who

can prove ownership of land or who lease State land cannot be disturbed. But native occupants who cannot prove title or who fail to execute leases apparently may be removed.

Many Haitian peasants, popularly known as squatters, have no title to the land which they occupy. Although adverse possession on private land gives title in Haiti after twenty years, it has been an established principle of Haitian law since 1864 that prescription does not run against the State. Many such squatters have frequently been oppressed by Haitian officials in the past; others seem to have lived upon land owned by Haitians who reside in the cities.

#### THE 1927 LAND LAW

In an effort to give security to squatters, the Haitian government, apparently upon the advice of the American authorities, enacted a land law on July 26, 1927. Article 15 of this law states that occupants of State land<sup>389</sup> may, during a period of three months after notification, lease such land from the State upon the payment of rent at 6 per cent of the annual value of the land. If the occupants refuse to take a lease, the land may be leased to the first person who requests it.<sup>390</sup>

As far as its text is concerned, this law seems to be based on the principle that the Haitian squatter is literate and intelligent enough to look after his own interests—a principle which is not usually followed by colonial governments in regard to native land. In Haiti legal notices are published in French; but if an illiterate peasant does not pay any attention to such notices, or if he is temporarily away from the land he occupies, such land may be leased to a new party. American officials insist, however, that in many cases Haitian squatters, being itinerant, do not put land to beneficial use. They assert that in the administration of the law it has been customary to serve personal notice on the squatters and that practically no dispossession and certainly no illegal dispossession of occupants of State land has occurred. Never-

385. It is understood that the American officials in Haiti were opposed to this contract, but that the contract was the result of political pressure from Washington.

386. Article 13 of the contract of May 12, 1927.

387. The contractor agreed to set aside not less than 2 per cent of the land for home sites for laborers. The government promised that export duties on sugar, molasses, bananas, tobacco, cacao, rice and other products should not be increased during the life of the contract, and to exempt all construction materials under the contract from customs duties. The contract runs for 60 years. Although the Rodenberg group had not exercised its option by June 1929, it is understood that the renewal of the option is under consideration.

388. Haiti, Service Technique, "Rapport sur le Relevé du Sol de la Plaine de l'Artibonite," *Bulletin No. 5*, 1926, p. 20.

389. Provided they have occupied the land for two years.

390. *Le Moniteur*, 1927, p. 210. In 1927-1928 there were 21,996 lessees, who paid a rental of 232,149 *gourdes*; in 1925-1926 there were 14,790 lessees, who paid a rental of 191,390 *gourdes*.

theless, in the case of the *habitation Lombard* the report of the Financial Adviser states that nineteen squatters and delinquent tenants left the land which had been leased to an American corporation before or when clearing operations reached the parcels which they occupied. "They were not indemnified because they had no rights."<sup>391</sup>

It is possible that these squatters thoroughly understood the 1927 law authorizing them to lease land from the State. It is also possible that they were so illiterate and superstitious that they did not know the nature of their rights and were frightened away at the approach of an American plantation. The extent to which this type of native is made to realize his rights depends very much on the way the land law is administered. While American officials of today may administer the law with the utmost desire to protect the Haitian native, this may not be true of future governments when confronted by the pressure of Haitian politicians or of foreign corporations. Some observers believe that any system of leasing public lands will give Haitian officials opportunities for corruption which they would not have if *bona fide* occupants were given definite ownership. In other words, they believe that the rule that no prescription should run against the State ought to be repealed and that some system of homesteading should be enacted instead.

Under the old Constitution forbidding the holding of land by foreigners, the Haitian government was protected against the pressure of foreign land seekers to a greater extent than under the present system, where the alienation of State land is left largely to executive discretion. It should be pointed out that existing land legislation imposes no limitation upon the amount of land which a foreign corporation may acquire.<sup>392</sup> Under this legislation,

moreover, the same rent (6 per cent of the annual value of the land) is charged to native as to foreign lessees. While in the absence of a head tax it seems equitable to impose a rent upon native occupants of State lands, some critics feel that foreigners should be required to pay a higher rent than natives, simply because they are foreigners and because their capacity to pay is greater.<sup>393</sup> On the other hand, the amount of land now owned or leased by foreigners in Haiti consists only of an insignificant percentage of the area of the country. In fact, few foreign concessions have made any profit in Haiti, and there have been few demands for concessions.

#### GENERAL LAND POLICY

In defense of the present land policy of the country and of the concessions already granted, the Financial Adviser has made the following declaration:

"Land thus made productive was for the most part neither occupied nor used by Haitian peasants. There has been no invasion of peasant proprietorship and no encroachment on the food supply of the people. The modest beginnings of agricultural development have already produced beneficial results. Land for many years practically abandoned has been cleared and restored to productivity. With no increase in the landless there has been marked gain in employment and well-being. Thousands of Haitians, many of them peasants with their own garden plots, in the neighborhood of the plantations, have been afforded an opportunity to supplement their meager incomes through gainful employment. Most encouraging of all, Haitian peasants, following the example of the plantation companies, are clearing land and putting it to productive use. These developments mark the first systematic and successful effort to deal with public land in Haiti on a sound and constructive economic basis.

"Those who are fearful of the future may take assurance from the fact that topographically and economically Haitian conditions set rather definite limits to plantation development. Large-scale agricultural operations have been advocated primarily for the productive use of unoccupied and uncultivated state lands. There are still opportunities for investment which are believed to be attractive, and which, if developed along the line of agricultural operations

391. *Financial Adviser*, 1927-1928, p. 75. In the case of the International Sisal Corporation, seven or eight Haitian peasants had occupied 14 hectares but had paid no rent for several years. They were given an opportunity to lease the land but refused. They then moved away "without protest," and the land was taken over by the corporation. Although these natives may have had no desire to remain on the land, they may also have claimed the land as their own private property.

392. The land ordinance in Tanganyika limits such leases to 5,000 acres, except when the approval of the Secretary of State is obtained for leasing of larger areas. (Buell, *op. cit.*, Vol. I, p. 488.) During 1926-1927 the Haitian government leased areas not exceeding 8,000 hectares (20,000 acres) to two different parties. (*Financial Adviser*, 1927-1928, p. 72.)

393. The Senate committee in 1922 expressed the belief that "it is the duty of the American government to advise the Haitian government against permitting foreign interests to acquire great land holdings in Haiti." *Report of the Senate Investigating Committee*, No. 794, p. 25.



now under way, should be profitable to the investor and should contribute further to the solution of Haiti's economic and social problems. In no case should an unconscionable concession or special privilege be accorded to foreign capital as such, and nothing savoring of spoliation will be countenanced. Every concession should have in view primarily the interests of the Haitian people, assuring to them a proper share in the benefits of increased production."<sup>394</sup>

The land problem in Haiti consists not only of determining the extent and status of State land but also of clearing up the chaotic system of land titles which increases the opportunity for fraud. At present it is stated that many Haitians who reside in the cities fraudulently claim title to land in the country and exact rent from tenants on such land. Various attempts to clear up titles have been made; and a system of cadastral commissions and of courts has been proposed. But all of these systems involving the survey and registration of land impose a heavy administrative and financial burden.

If the difficulties arising out of the treatment of State land and out of a chaotic situation with respect to land titles are cleared up by an impartial and efficient administration before the end of the occupation, so that the State will definitely know the extent of its domain and so that individual interests will be definitely determined, only good may result. But if this highly complicated task is left unfinished, and in this condition is handed over to Haitian authorities upon the termination of the convention, there is reason to believe that opportunities for corruption and maladministration will be greater than before.

#### ECONOMIC PROGRESS UNDER THE OCCUPATION

The American Occupation has restored order, installed a system of financial administration, inaugurated a new land policy, constructed many public works, carried on important public health activities and established a system of agricultural education. Have these policies led to material progress? The High Commissioner and the Financial Adviser answer this question in the affirmative. The High Com-

missioner made the following statement in his 1928 report:

"Many buildings have been constructed and not confined to the cities or to the relatively well-to-do class. Improvement in housing is perhaps even more noticeable in many rural districts where galvanized iron is replacing the use of thatch for roofing; wattle and mud are giving way to lumber for sidings; and better doors and windows are in evidence. Enhanced buying power and a rise in the standard of living are further suggested by the increased importation of books and other printed material, chemical and pharmaceutical products, household utensils, foodstuffs, iron beds, motor vehicles, shoes, soap, and textiles, many of which imports are luxury articles and not essential to local welfare, although most of them have a direct relation to health, better living conditions, and general social progress. In this connection, it is interesting to note as an additional evidence of the rising standard of living that the number of subscribers to the telephone system of Port-au-Prince has risen from only 450 in 1924, to approximately 1,000 at the time of the preparation of this report, while telephone calls during the same period have mounted from slightly over a million to close to four and one-half millions.... Increasing importation of motor vehicles and gasoline reflects the marked improvement that has taken place in transportation facilities. Automobile traffic in the cities and on the highways of Haiti is steadily growing, accompanied by an increase in the transportation of passengers, freight, and mail by motor."<sup>395</sup>

The last report of the Financial Adviser states:

"Marked progress in increasing and realizing the productivity of the country has resulted from the establishment of security and order, the opening of transportation routes from the interior to the ports, the improvement of sanitary conditions and the betterment of health standards, the extension of vocational education, and activity by the Government in the promotion of agriculture. The import tariff enacted in 1926 has encouraged domestic production, notably in the case of tobacco and in the use of cottonseed in the manufacture of lard substitutes. Exports show an encouraging trend, and when relieved of present fiscal burdens should further increase.

"Evidences of economic advance appear in the statistics of Haitian commerce; and one observes among the people indications of more prosperous times. It is believed, moreover, that the benefits of economic progress have been widely distributed among the masses. As a result of the financial and economic policies of the Government, the condition of the average Hai-

<sup>394</sup>. *Financial Adviser*, 1927-1928, p. 76.

<sup>395</sup>. *Report of the High Commissioner*, 1928, p. 14.



tian, with respect to health, dress, housing, furniture, and the enjoyment of public institutions and services has clearly improved. It is not to be implied, however, that the average standard

of living is yet adequate to satisfy the requirements of stable nationality."<sup>396</sup>

Statistics show that government revenue has increased as follows:

REVENUES AND EXPENDITURES AND EXCESS OF REVENUES OR EXPENDITURES  
FISCAL YEARS 1916-1917 TO 1928-1929.<sup>397</sup>

Year	Revenues <i>Gourdes</i>	Expenditures <i>Gourdes</i>	Surplus <i>Gourdes</i>	Deficit <i>Gourdes</i>
1916-17 .....	18,934,684.70	15,884,177.80	3,050,506.90	.....
1917-18 .....	16,048,390.75	14,614,997.45	1,433,393.30	.....
1918-19 .....	29,955,933.45	15,499,480.45	14,456,453.00	.....
1919-20 .....	33,997,450.79	20,646,866.25	13,350,584.54	.....
1920-21 .....	19,946,095.70	32,788,455.90	.....	12,842,360.20
1921-22 .....	24,964,795.72	39,775,908.40	.....	14,811,112.68
1922-23 .....	31,950,101.24	30,560,113.15	1,389,988.09	.....
1923-24 .....	32,902,321.33	34,215,495.94	.....	1,313,174.61
1924-25 .....	40,487,667.00	39,218,202.02	1,269,464.98	.....
1925-26 .....	45,364,648.10	40,930,725.08	4,433,923.02	.....
1926-27 .....	38,861,534.79	39,747,163.75	.....	885,628.96
1927-28 .....	50,421,016.49	40,977,914.49	9,443,102.00	.....
1928-29 .....	42,523,000.00	44,120,000.00	.....	1,597,000.00
Total .....	426,357,640.06	408,979,500.68	48,827,415.83	31,449,276.45

According to this table, revenues for 1928-1929 have increased about one hundred per cent since 1920-1921. For the entire period of the American occupation there has been a surplus of revenue over expenditure of 17,378,139.38 *gourdes*. An illuminating comparison may be made between Haitian revenues before and during the occupation. The average annual revenue of the Haitian government for the four years preceding the World War was 26,445,083 *gourdes*.<sup>398</sup> But average rev-

enue during the last four years (1925-1929) has been 44,292,549 *gourdes*—which represents a nominal increase in government revenue of 67.48 per cent, and a real increase of 14.18 per cent.<sup>399</sup> This increase may be due in part to higher taxes or in part to greater honesty and more efficient collection.

Foreign trade statistics during the period of the American occupation are shown in the following table:

VALUE OF IMPORTS AND EXPORTS, AND EXCESS OF IMPORTS OR EXPORTS  
FISCAL YEARS 1916-1917 TO 1928-1929.<sup>400</sup>

Year	Imports <i>Gourdes</i>	Exports <i>Gourdes</i>	Total <i>Gourdes</i>	Excess Imports <i>Gourdes</i>	Excess Exports <i>Gourdes</i>
1916-17 .....	43,030,428	44,664,428	87,694,856	.....	1,634,000
1917-18 .....	50,903,468	38,717,650	89,621,118	12,185,818	.....
1918-19 .....	85,588,041	123,811,096	209,399,137	.....	38,223,055
1919-20 .....	136,992,055	108,104,639	245,096,694	28,887,416	.....
1920-21 .....	59,786,029	32,952,045	92,738,074	26,833,984	.....
1921-22 .....	61,751,355	53,561,050	115,312,405	8,190,305	.....
1922-23 .....	70,789,815	72,955,060	143,744,875	.....	2,165,245
1923-24 .....	73,480,640	70,881,610	144,362,250	2,599,030	.....
1924-25 .....	101,187,825	97,018,810	198,206,635	4,169,015	.....
1925-26 .....	94,257,030	101,241,025	195,498,055	.....	6,983,995
1926-27 .....	78,756,600	76,495,442	155,252,042	2,261,158	.....
1927-28 .....	101,241,283	113,336,230	214,577,513	.....	12,094,947
1928-29 .....	86,189,612	83,619,167	169,808,779	2,570,445	.....
Total .....	1,043,954,181	1,017,358,252	2,061,312,433	87,697,171	61,101,242

396. *Financial Adviser*, 1927-1928, p. 71.

397. Based on *Financial Adviser*, 1927-1928, p. 101, and on *Monthly Bulletin of Financial Adviser*, September 1929.

398. Cf. table, *Ibid.*, 1927-1928, p. 55. This report calculated fluctuations on the basis of the gold value of the *gourde* prior to its stabilization May 2, 1919.

399. Real increase is obtained by translating the 1929 figures into 1913 values in accordance with the wholesale price index of 147.

400. Based on *Financial Adviser*, 1927-1928, p. 3 and on *Monthly Bulletin of Financial Adviser*, September 1929.

For the entire period there has thus been an excess of imports of about 26,596,000 *gourdes*. The last report of the Financial Adviser states that excluding the first four abnormal years a comparison of average exports during the first and second halves of the remaining eight-year period shows an increase of average exports amounting to 68.48 per cent. Despite price changes, "an encouraging export tendency demonstrates basic economic progress."<sup>401</sup>

While the year 1927-1928 was a banner year in Haitian trade, the following year, ending in September 1929, was marked by depression. Coffee exports fell off from 41,417,000 kilos to 28,557,000 kilos; revenues declined 16 per cent; and expenditures exceeded revenues by 4 per cent.<sup>402</sup> A number of business houses in Haiti closed down.<sup>403</sup>

Some critics attributed this decline to the new internal taxes on tobacco and alcohol, and to the system of compulsory standardization which frightened peasants, they said, and kept them from bringing their coffee down from the hills.<sup>404</sup>

#### ANALYSIS OF HAITIAN TRADE

Despite efforts to develop a diversified agriculture, the one-sided nature of Haiti's export trade—its dependence upon coffee—remains. In value, coffee has constituted 70 per cent of total exports during the last 12 years. The second largest export, which in 1927-1928 contributed 10.16 per cent of the total exports, is raw cotton; the third is logwood, representing 5.68 per cent. Two new articles of export which have appeared in the statistics are sugar and sisal. Sugar accounts for 3.35 per cent of total exports. In 1927-1928 31,341 kilos of sisal were exported; while this is still a negligible part of the whole export trade, the authorities believe that sisal exports will increase in the future. About 30 per cent of imports consist of foodstuffs, while about 28 per cent consist of textiles, particularly cotton goods.<sup>405</sup>

401. *Financial Adviser*, 1927-1928, p. 3.

402. *Monthly Bulletin of Financial Adviser*, September 1929, p. 4.

403. "La Grande Détresse de Nos Villes," *La Presse*, August 16, 1929.

404. Cf. *Le Temps*, October 21, 1929; *La Presse*, October 12, 1929.

405. *Financial Adviser*, 1927-1928, p. 22.

As far as the destination of Haiti's foreign trade is concerned, the predominance of France has somewhat decreased. Thus the proportion of Haitian exports destined for France declined from 62.29 per cent—the average for 1921-1925—to 49.77 per cent in 1927-1928.<sup>406</sup> During the period of the receivership, the United States has supplied Haiti with 82.1 per cent of its imports.

While it is evident that Haitian exports have increased during the period of the American occupation, it should be remembered that trade in the early years of the occupation was abnormally low because of the World War, which interfered with Haiti's market in France. It is believed therefore that the real test of the result of the American occupation rests in a comparison of Haitian exports before and during the occupation. The reports of the Financial Adviser-General Receiver are silent as to the amount of Haitian exports before the World War. Nevertheless, such exports are stated by the Department of Commerce Year Book to have averaged annually \$14,538,000 for the four years 1910-1913 inclusive. The yearly average of such exports during the last four years (1926-1929) has been \$18,740,000—a nominal increase of 28.91 per cent. When one reduces this figure in accordance with the index number of 147 to remove differences due to price changes, it will be seen that the value of Haitian exports between these two periods has actually declined 12.34 per cent.<sup>407</sup>

This conclusion should, however, be checked by a comparison of the quantity of the leading exports before and after the war. The comparison follows:<sup>408</sup>

406. This decline apparently was hastened as a result of a new commercial agreement of July 29, 1926 between France and Haiti which greatly restricted Haitian preference to French goods. There is no French bank in Haiti today, although Havre remains the principal port of destination for Haitian export products.

407. In the four years 1910-1913 Haiti exported an annual average of \$6,209,000 more than it imported. During the American occupation, however, there has been an excess of imports. Cf. p. 379. Purchases by American officials, including the Marine Brigade, have apparently contributed to the situation.

408. The pre-war figures are taken from *Banque Nationale de la République d'Haiti*, "Renseignements Financiers Statistiques et Economiques sur la République d'Haiti," Paris, 1915, p. 86. This table gives annual statistics by quantity in pounds since 1904-1905. Pounds have been converted into kilos. If the bank statistics err, it is probably on the side of underestimation, since presumably some taxes on exports were collected which were not reported to the bank. The post-war figures are taken from the annual reports of the Financial Adviser-General Receiver.

## PRE-WAR AND POST-WAR EXPORTS

	Yearly Average (In Kilos)		Percentage of Difference
	1910-1914	1925-1929	
Coffee .....	30,812,560	33,520,030	+ 8.77
Cacao .....	2,350,801	1,894,942	- 19.36
Raw Cotton	1,399,687	3,769,347	+120
Logwood ..	38,562,032	27,358,874	- 40.94

Thus the export of coffee, which is more important than all other exports combined, has increased nearly 9 per cent. The article which shows the greatest increase is raw cotton, which, however, represents only 10 per cent of Haitian exports. Shipments of cacao and logwood, on the other hand, have declined.

Thus the general export statistics of Haiti show a real decline of more than 12 per cent; nevertheless the exports show an increase in quantity in the case of coffee—the leading article of export—of about 9 per cent, but there has been a decline in exports of logwood and cacao. The evidence to the effect that Haitian exports as a whole have declined during the last fifteen years therefore seems inconclusive. Nevertheless, there is no evidence to show that such exports have materially increased, as they have in many other countries during the same period.

A number of reasons have been given for the alleged failure of the Occupation to bring about greater increases in exports.

It is argued that military occupation, featured as it was by intermittent hostilities until 1920, is incompatible with economic development. It is asserted also that the Haitian government is hostile to the entrance of foreign capital.<sup>409</sup> Foreign business men assert, on the other hand, that the American High Commissioner himself has repeatedly demonstrated hostility to foreign enterprise. In 1922 he reported that he had effected at Port-au-Prince the organization of an American Chamber of Commerce, which he declared was a body of power and influence. "Under the able direction of its president and executive committee," he prophesied, "it will forge steadily ahead."<sup>410</sup> But in 1927 the Chamber of Commerce dissolved on the alleged ground that the High Commissioner would neither consult it nor consider its recommendations.

In reply it is stated that American officials are protecting the natives of Haiti from exploitation by foreign enterprise. Moreover, Dr. Cumberland declares, "It is a common economic fallacy that foreign trade and national welfare are brought into too close a causal relationship."<sup>411</sup> Many share Dr. Cumberland's view that the real test of economic progress in Haiti is not so much a growth of exports, as an improved standard of living among the people—a change which may or may not result in an increase of exports.

## VI. THE PRESENT POLITICAL SITUATION

The final objectives of the American Occupation have been to establish a stable government and to train the Haitians to govern themselves. To determine the extent to which this aim has been achieved, it is necessary to review the present form of American control. This control is exercised through a High Commissioner, General John H. Russell, who in effect is also American Minister. Under him are five treaty officials as follows: the Financial Adviser-General Receiver, the Engineer in Chief of the Public Works Service, the Director General of the National Public Health Service, the Director General of the

Service of Agriculture and Vocational Education, and the Commandant of the *Garde*.

While the Financial Adviser-General Receiver and the Director General of the Agricultural Service are civilians, the Directors of Public Works and Public Health are officers in the United States Navy, while the Commandant of the *Garde* is an officer in the United States Marine Corps. The treaty officials are assisted by about one hundred other Americans, some of whom are naval officers while others are civilians. In addition one hundred or so

409. *Financial Adviser*, 1924-1925, p. 97.

410. *Report of the High Commissioner*, 1923, p. 18.

411. *Financial Adviser*, 1925-1926, p. 3.

American officers are found in the service of the gendarmerie. Finally, the United States maintains a brigade of marines in Haiti, totalling 37 officers and 500 men. This is about one-fourth of the number maintained there in 1922.

Treaty officials are appointed by the President of Haiti upon the nomination of the President of the United States. Each treaty official collaborates with a member of the Haitian Cabinet. Thus, the American Financial Adviser-General Receiver works with the Haitian Minister of Finance; the Director of the Service Technique with the Haitian Minister of Agriculture; and the three other treaty officials with the Haitian Minister of the Interior.<sup>412</sup>

In other words, the five treaty officials are responsible not only to the High Commissioner, but also to three members of the Haitian Cabinet and to the Haitian President. The two Cabinet Ministers who do not have treaty officials in their departments are the Minister of Foreign Relations and the Minister of Justice.

#### HAITIAN AND AMERICAN SALARIES

The President of Haiti receives a salary of \$24,000, plus a representation allowance of \$4,800, making a total annual income of \$28,800.<sup>413</sup> Each of the five Secretaries of State receives \$6,000 a year. In comparison with the incomes of private Haitians, these figures seem fairly large.<sup>414</sup>

It is the practice of most governments, whether independent or colonial, to insert in the annual budget detailed salary figures for all officials. As far as the salaries of American officials are concerned, this practice is not followed in Haiti.<sup>415</sup> It is understood, however, that the American

naval officials in Haiti receive so-called "double salaries"—i. e., their regular naval pay from the American government,<sup>416</sup> together with an "indemnity" from the Haitian government. Thus the commandant of the Haitian *Garde* receives, in addition to his Marine Corps pay, an indemnity of \$3,000 a year.<sup>417</sup> Each treaty official also has an automobile for the use of himself and his family, chauffeur and gasoline being furnished by the government. In addition, a number of other American officials, particularly in the Service Technique, have the use of government cars.

The system of "double salaries" applies to the three treaty officials in charge of the gendarmerie, public health, and public works. The two civilian treaty officials—the Financial Adviser - General Receiver and the Director of the Service Technique—are understood to receive salaries of \$15,000 and \$10,000 respectively. The Director of Internal Revenue receives \$7,500. These salaries are paid out of the Haitian budget.<sup>418</sup>

Thus several American officials receive larger salaries than members of the Haitian Cabinet. This is in contrast to the system followed by the United States in Porto Rico, where the American Auditor and the Attorney-General receive \$6,000, or the same salary as Porto Rican Cabinet members. The American Governor of Porto Rico receives a salary of \$10,000 a year, in contrast to the salary of \$15,000 paid to the Haitian Financial Adviser-General Receiver.

In 1925 the Financial Adviser calculated that the Haitian government expended \$424,800 annually upon American personnel, while the United States annually expended the sum of \$496,200 (or 17 per cent more) upon naval officers loaned to the Haitian government. It should be pointed out, however, that the United States would be liable for the salaries of these naval officers in any case, whether they served in Haiti or elsewhere.<sup>419</sup>

412. There are ten different Cabinet portfolios, but more than one portfolio may be held by a single Minister. Thus in 1926 M. Fonbrun was Secretary of State for the Interior and Public Works. M. Montas was Secretary of State for Foreign Relations and also for Religion; M. Rouzier was Secretary of State for Finance and also for Commerce. M. Dorsinville was Secretary of State for Public Instruction and also for Agriculture and Labor. M. Cauvin was Secretary of State for Justice. In this year, accordingly, five Ministers held ten portfolios. Cf. *Annuaire Général d'Haiti*, 1926, p. 30.

413. Budget Général de l'Exercice 1927-1928, *Le Moniteur*, September 26, 1927, p. 24.

414. Each member of the Council of State receives \$1,800 a year, while prefects receive salaries varying from \$950 to \$1,800.

415. In 1927-1928 the sum of 1,628,750 *gourdes* was appropriated for the service of the General Receiver, 147,000 *gourdes* for treaty engineers, 185,000 *gourdes* for the administration of the Service Technique, and 140,000 *gourdes* for hygiene, but these sums are not itemized. Budget Général de l'Exercice 1927-1928, *Le Moniteur*, September 26, 1927, p. 13, 29, 32, 39.

416. It is understood that General Russell receives merely the salary of a Brigadier-General of the Marine Corps (\$6,000); a residence, however, is provided him by the government.

417. Budget Général de l'Exercice, 1927-1928, *Le Moniteur*, September 26, 1927, p. 29.

418. The salaries of \$10,000 and \$7,500 were fixed in the agreement concerning these officials. Cf. p. 362.

419. *Report of the High Commissioner*, 1925, p. 13. The salary of the American Receiver in Nicaragua is \$15,000.



## RELATIONS BETWEEN AMERICANS AND HAITIANS

The American treaty officials acting under the High Commissioner assume complete responsibility for the administration of the departments under their care. It is the practice of the High Commissioner and the treaty officials to hold weekly conferences at which questions of policy are determined. An annual report of the Sanitary Engineer of Haiti states, moreover, that

"... early in 1924 the American High Commissioner asked the Treaty Officials heading the several departments connected with the Haitian government to prepare a program for the development of their several activities. Roughly it was to cover a period of three years. The reason for the preparation of this program was that those responsible for the spending of the income of the Republic might visualize the problems to be solved and better appraise the relative importance of these problems.

"It was thought that when this was done the Treaty Officials would be in better position to adjust the assets of the treasury to the solution of the problems at hand."<sup>420</sup>

The treaty officials rely to a large extent upon Haitian personnel to execute their policies; and during the last few years it seems that more and more responsibility has been placed upon Haitian subordinates. The Financial Adviser has stated that "it is an established policy to give to the Haitian employees every possible opportunity to fit themselves, by training, experience, and application, for more responsible and better paid posts. . ."<sup>421</sup> The Director of the Service Technique also declares that its general policy is to "employ only such non-Haitians as are absolutely necessary to fill those technical positions for which no properly qualified Haitian can be found."<sup>422</sup>

Thus the number of Haitian officers in the gendarmerie has steadily increased, as has the number of Haitian engineers and doctors. Haitian doctors give instruction in the medical school and act as assistant superintendents of district hospitals. Haitian engineers serve as assistant departmental chiefs in the Department of Public

Works. On the other hand, only 4 out of the 12 collectors of customs are Haitians, while apparently all of the principal positions in the offices of the General Receiver and of the Service of Agricultural Education are held by Americans. In no case has the major responsibility for any treaty service been transferred to Haitians, on the ground that there are no Haitians efficient or honest enough to assume such responsibilities. Thus in Port-au-Prince the prison and the printing establishment are headed by Americans, although such duties in British Nigeria are performed by natives.<sup>423</sup>

Mr. H. P. Davis says:

"While it seems highly improbable that material is lacking in Haiti from which to fill positions now held by Americans, it is quite obvious that with such conspicuous exceptions as that of the public-health service, this vitally important aspect of the situation has unfortunately been neglected."<sup>424</sup>

Mr. Clarence Streit of the *New York Times* writes:

"The upper layer of American officials in the departments we control formulate important measures without consulting the Haitians on their staff, who merely help to execute them. Our treaty officers explain that there is 'so much to do' that they have 'no time to waste in debating or explaining matters to the Haitians.'"<sup>425</sup>

Theories differ as to the legal relationship of the Haitian President and his five Ministers to the five treaty services. Under one theory the treaty officials are technically responsible to the Haitian Minister concerned; under another theory, responsibility is divided.

Nevertheless, Dr. A. C. Millspaugh, former Financial Adviser, asserts that power is concentrated to a large extent in American hands. He states that the American High Commissioner not only vetoes but also drafts Haitian legislation.

"He negotiates contracts with American companies, determines the administrative attitude to be assumed toward them by the American treaty officers, and interests himself in the details of claims, the collection of revenue, road construction, and in agricultural, educational, and sani-

420. *Report of the Sanitary Engineer of Haiti, 1925-1926*, p. 1.

421. *Financial Adviser, 1927-1928*, p. 123.

422. *Report of the High Commissioner, 1925*, p. 40.

423. Buell, *op. cit.*, Vol. I, p. 706, 714.

424. Davis, *op. cit.*, p. 288.

425. C. Streit, "Haiti: Intervention in Operation," *Foreign Affairs*, July 1928.

tary matters. American treaty officers have little official contact with the Haitian executive and their relations with the Ministers have necessarily become perfunctory or formal.

"On its face the arrangement is characterized by division and confusion both of authority and responsibility. . . . It is a system which emphasizes the authority and responsibility of the United States in the domestic affairs of Haiti."<sup>426</sup>

An opposite view has been expressed, however, by Dr. W. W. Cumberland, another former Financial Adviser. In a Williamstown address he declared:

"Nothing could be farther from the truth than that the American officials dominate Haiti or exercise absolute control over her affairs. As Financial Adviser I was required in preparing the budget to confer with the Haitian Minister of Finance. Either could veto any item asked by the other. To my mind, this was true cooperation rather than domination."<sup>427</sup>

The official view apparently is that there are two executive organizations in Haiti which consider questions of policy—the Haitian government and the American officials. The proposals of the American officials are subject to the veto of the Haitian government, and vice versa. Nevertheless, under this system American officials seem to exercise a greater number of administrative functions than they do in Porto Rico, despite the fact that Haiti is nominally independent while Porto Rico is not.<sup>428</sup>

#### CRITICISMS OF THE ADMINISTRATION

Two other criticisms have been made against the present system of administration in Haiti. The first is that it is too complicated to suit the needs of an undeveloped country. Mr. Streit says:

"We have built an airplane for a man accustomed to riding a donkey. . . . The machine runs beautifully now while we are at the controls, but how will it run when we step out in 1936 and the man who all the time has been on the donkey steps in to fly alone?"<sup>429</sup>

The second criticism is that the present control of the United States over the Haitian administration is unjustified under the terms of the convention of 1915. Haitian critics declare that the text of that conven-

tion merely authorized the United States to nominate a certain number of officials to act as advisers to the Haitian government, but that instead of being "advisers" American officers today assume complete responsibility for administration. This condition is due, they assert, to the fact that the High Commissioner and three of the treaty officials are members of the naval force of the United States, and have been trained in a school which is accustomed only to command.<sup>430</sup>

These Haitian critics also assert that nothing in the convention authorizes the American Legation to veto Haitian legislation, nor is the Financial Adviser authorized, they say, to veto proposed appropriations, to pre-audit expenditures or to ignore decisions of the courts. They assert, moreover, that the convention does not authorize the United States to administer internal revenue, the medical school, or other matters to which American control now extends.

Supporters of the present policy state, however, that these extensions of American authority have been agreed to by the Haitian government, either in the form of law or by a supplementary agreement. Critics reply that this "consent" has been the product of American force, or has been given by a "puppet" government.<sup>431</sup>

Between 1915 and 1922 the Haitian government under President Dartiguenave opposed the extension of American control. Since the election of President Borno in 1922, however, the Haitian government has followed a policy of "cooperation." While opposition to American rule no longer comes from the Haitian government, it does emanate from members of the Haitian élite outside the government. They declare that the Borno government is illegally constituted, and that it is not representative of the Haitian people, but is merely an instrument of American rule. The opposition to the Haitian government and to the American occupation, however, cannot effectively vent itself through con-

426. A. C. Millsbaugh, "Our Haitian Problem," *Foreign Affairs*, July 1929.

427. *New York Herald Tribune*, August 7, 1929.

428. In Porto Rico natives hold all Cabinet positions except that of Attorney-General.

429. Streit, *op. cit.*

430. Cf. the change of atmosphere in the Philippines following the appointment of Mr. H. L. Stimson as Governor-General in succession to General Leonard Wood. M. Kalaw, "Governor Stimson in the Philippines," *Foreign Affairs*, April 1929.

431. Cf. p. 345. For Haiti's reservation, cf. p. 347.

stitutional channels because of the suspension of elections, and because of rigorous government control over the press and public assembly.

#### PRESIDENT BORNO'S REPRESSIVE MEASURES

One of President Borno's first acts was to secure the adoption of a press law in December 1922 which (as amended in 1924) punishes "any injury, any outrage, or defamation" committed by the press against any member of the government, or against any diplomatic representative accredited to Haiti. In the case of "defamation" of the President, the truth of the accusation is no defense. The publication of "false news" is prohibited, as well as popular subscriptions to pay fines imposed upon newspapers for any of these offenses. Doubts as to the constitutionality of such legislation were removed by the adoption of a constitutional amendment in 1928.<sup>432</sup>

Following the adoption of this amendment, further changes were made in the press law. One of them provides for punishing violations of this law even when committed outside of Haiti.<sup>433</sup>

It is declared that President Borno has repeatedly imprisoned editors without trial. In one notorious case President Borno imprisoned without trial a M. Jolibois, an editor, who had accused General Russell of embezzlement. The practically universal testimony of Haitian and American critics is that General Russell is a man of high personal integrity; nevertheless, some critics believe that Jolibois should have been given a trial.<sup>434</sup>

In March 1927 Senator William H. King, a critic of the occupation, was prohibited from entering Haiti by President Borno, after consultation with the American authorities. The reason given was that Senator King was an "agent of the worst ele-

ments of disorder," and that his presence in Haiti would provoke political agitation which might be disastrous to the people who were becoming accustomed to peace and work.<sup>435</sup>

In December 1927 the editors of *Le Nouvelliste* were imprisoned, on the ground that they had printed a false report that a mob had gathered in Santo Domingo City to ask for the liberation of certain editors. Following this imprisonment, *Le Cercle Bellevue*, a well-known social club, which had been in existence for 30 years and of which the editors were members, postponed a ball scheduled to be held about this time. President Borno declared that the postponement was decided upon out of sympathy for the imprisoned editors, and ordered the club closed. The order was served by four American officers in the gendarmerie, eight Haitian gendarmes and several Haitian officials.<sup>436</sup>

President Borno justifies restrictions on the freedom of discussion on the ground that some Haitian newspapers are guilty of "intolerable excesses."<sup>437</sup> It is also declared that a Haitian court would not convict Haitians guilty of libel against the government or American officials and that consequently President Borno is justified in taking severe action.<sup>438</sup>

In view of the control exercised by President Borno over the press and to a certain extent over the personnel of the courts,<sup>439</sup> the necessity which at one time existed for the imposition of martial law by the United States seems to have declined. During the last several years few, if any, Haitian offenders have been tried by American provost courts.<sup>440</sup>

#### PRESIDENT BORNO'S RE-ELECTION

Thus opponents of the government have been unable to voice their opinions in the

432. Article 16 of the 1918 Constitution provided that abuses of the freedom of the press would be defined by law, without infringing upon the liberty of the press. The amendment of 1928 provided simply that the liberty of the press was guaranteed, under conditions determined by law.

433. Law of January 18, 1929, *Le Moniteur*, 1929, p. 21. *Le Moniteur* for April 15, 1929 printed the complete text of the press law with amendments since 1922. A law of June 25, 1925 declared that no public meeting could be held without preliminary authorization, and that exhibition of banners "injurious" to the public authorities was forbidden. *Ibid.*, 1925, p. 361.

434. Cf. Douglas, *op. cit.*, p. 373; cf. also, Emily Balch, *Occupied Haiti*, Chapter X.

435. *Le Moniteur*, March 17, 1927, p. 51.

436. "Les Propriétaires du Cercle Bellevue Militairement Dispersés," *Le Nouvelliste*, January 31, 1928.

437. *Report of the High Commissioner*, 1925, p. 6. In April 1929 President Borno declared that an unscrupulous opposition had responded with "injury, calumny and defamation" to his call to save the country. Liberty of the press did not mean the right to "outrage with impunity the representatives of public authority." *Le Moniteur*, 1929, p. 159.

438. Davis, *op. cit.*, p. 256.

439. Cf. p. 387.

440. *Report of the High Commissioner*, 1928, p. 10.



press, and they have also been deprived of any participation in the election of the President of the country. Under the old Haitian Constitution, the President was elected by the Chamber of Deputies and the Senate, sitting as the National Assembly. Since the 1918 Constitution, however, the Haitian President has been elected by the Council of State, the 21 members of which are appointed by the President. As the close of President Borno's term approached in 1926, he became a candidate for re-election. Before the election date, in April 1926, he removed 18 of the 21 members of the Council of State, appointing as their successors a large number of relatives and friends upon whose support he could depend.<sup>441</sup> On election day certain disturbances occurred, but were suppressed by the gendarmerie under American command; and when President Borno left on a visit to the United States after his inauguration, a crowd jeered his departure. High Commissioner Russell reported that

"... the re-election of President Borno was unquestionably a wise step on the part of the National Assembly as his record for the past four years has been such as to merit the strongest commendation from all who had the interests of Haiti at heart. . . . It was with much rejoicing, therefore, that those Haitians who have truly at heart the interests of their country received the news of Mr. Borno's re-election."<sup>442</sup>

The election of the President by the Council of State has been criticized both on constitutional and on political grounds. Haitian lawyers state that the Constitution of 1918 did not authorize the Council of State to act, even for a transitional period, as the National Assembly, but merely to exercise legislative power.<sup>443</sup> Again, from the political standpoint, this system of election means that the people of Haiti have no control over the choice of a President.

441. The list of the members is given by Senator King, "American Occupation of Haiti," Speech in the Senate, May 12, 1926, p. 23.

442. Report of the High Commissioner, 1926, p. 5.

443. Cf. the Hudicourt memoir, *Inquiry*, p. 1563; also a petition of the *Union Patriotique* to Secretary Stimson, *Variétés*, June 22, 1929. On April 8, 1926 *Le Temps*, a local newspaper, printed documents purporting to show that M. Borno was ineligible for re-election to the Presidency. Article 73 of the Constitution provides that to be eligible for this office one must be born of a Haitian father. But Borno's father was a foreigner who was not naturalized until Borno was 9 years old. The Haitian court declined to pass on the question, since it was "political."

#### CONSTITUTIONAL AMENDMENTS, 1928

Apparently with the object of still further strengthening President Borno's position, the Council of State in June 1927 adopted constitutional amendments—subject to ratification by plebiscite—which provided among other things for the regulation of freedom of the press and court jury trial, abolishing life tenure for judges in favor of a term of five years, vesting the interpretation of laws in the legislature instead of the courts, extending the Presidential term from four to six years and authorizing the President's re-election.<sup>444</sup> It was understood that the State Department at Washington objected to several of these provisions. Consequently the Council of State enacted a new set of amendments<sup>445</sup> which were submitted to a popular vote on January 10, 1928, being adopted by a vote of about 175,000 to 3,500.<sup>446</sup> Although the United States had preached the doctrine of fair elections in the Caribbean and although it supervised elections in Nicaragua and Panama, it did not install in Haiti, a country under American occupation, any electoral supervision for this or any other election. On the other hand, American authorities placed trucks at the disposal of the Borno government so that pro-amendment voters could be taken to the polls.<sup>447</sup>

As a result of these amendments, the Borno government may enact legislation imposing restrictions upon the freedom of the press and jury trial. Life tenure of office by judges has been abolished in favor of a tenure of seven years, except in the case of the judges on the *Cour de Cassation*, who serve ten years. And within one year President Borno may make changes in the present personnel of the courts.<sup>448</sup> The amendments also extend the Presidential term from four to six years, but prevent a President from serving a second term, except after an interval of six years; they

444. *Le Moniteur*, June 9, 1927, p. 141.

445. *Le Moniteur*, October 8, 1927, p. 271.

446. For the detailed figures, cf. *ibid.*, January 23, 1928.

447. F. P. A. *News Bulletin*, "Haiti," April 27, 1928.

448. A law was enacted in 1927 to the effect that no law could be declared unconstitutional except by a majority of six out of nine judges. (*Le Moniteur*, December 27, 1927.) In 1928 the government enacted a series of laws reorganizing the courts and amending several codes. It also made new appointments to the *Cour de Cassation*. (*Ibid.*, 1928, p. 105, 114.)

prevent him from serving a third term under any circumstances.

It was assumed by some Haitians that the adoption of these amendments would prevent President Borno from being elected for a third term in 1930. In 1928 President Borno himself declared that the constitutional office with which he was clothed would come to an end on May 15, 1930.<sup>449</sup>

With the approach of the end of President Borno's second term, a pro-government paper declared that the 1928 amendment did not apply to the President in power at the time of its adoption and that President Borno was therefore eligible for re-election.<sup>450</sup>

During the fall of 1929 Haitian opponents of the government charged that President Borno, in anticipation of the Presidential election of April 1930, was beginning to make changes in the composition of the Council of State, in order to secure his own re-election or that of a successor under his control.<sup>451</sup> On November 27, 1929, President Borno declared to the Council of State that he would not be a candidate for re-election in 1930. Critics assert that even if President Borno keeps his promise he will, through his control over the Council of State, determine the selection of his successor.

Finally, opponents of the government point out, the voters of Haiti have been prevented from participating not only in the election of the President but also in the passage of laws, including the appropriation of funds obtained from Haitian taxes.

## THE LEGISLATIVE ELECTIONS

The 1918 Constitution contained a "transitory" provision that the Council of State should exercise the legislative power until

the establishment of the legislature, and that the first legislative elections should be held on January 10 of an even year.<sup>452</sup> Nevertheless, no elections for the Chamber of Representatives have been held between 1917 and the present time. In October 1923 the Haitian government announced that "after an exchange of views with the Government of the United States," it had been decided that the elections should not take place in 1924.<sup>453</sup> Two years later President Borno declared that these elections would not be held in 1926. In a circular to the Haitian prefects, he declared that it was the firm design of the present government "to realize fully the constitutional provision for the election of the two legislative chambers." But he added that the Haitian people were not ready.

"Democracy," he said, "is the government of the people. Our rural population, which represents nine-tenths of the Haitian people, is almost totally illiterate, ignorant and poor. . . . It is still incapable of exercising the right of vote, and would be the easy prey of those bold speculators whose conscience hesitates at no lie.

"As for the urban population, one-tenth of the total population, those of its members who are capable of expressing an intelligent vote—a little progressive minority formed of peaceful men, business men, artisans, citizens of different professions, belonging to different social classes—have for a long time for the most part renounced their electoral right, disgusted by the immoral manoeuvres and the insolvent frauds which render, and would still render, illusory their efforts as intelligent electors. The remainder is the small group of professional politicians, with their followers of every sort, who are mainly illiterate."<sup>454</sup>

General Russell commended the President for telling the "truth," declaring that

" . . . the peasants, who form the mass (85 per cent) of the population and who have so long been held by their literate brothers in a backward state, have the mentality of a child of not more than seven years of age, reared under advantageous conditions."

Nevertheless, on April 1, 1928 President Borno announced to the Council of State that he would apply the constitutional provisions relative to the Chamber and Senate

449. Address to the Council of State, *Report of the High Commissioner*, 1928, p. 5.

450. *Le Matin*, October 23, 1929. President Machado has adopted a similar interpretation in the case of an analogous amendment to the Cuban Constitution. Cf. F. P. A. *Information Service*, Vol. V, No. 3, cited. Nevertheless, if M. Borno is not bound by the 1928 amendment, he is bound by the original Constitution of 1918. Article 72 of this Constitution states that a President who has been re-elected shall not be elected for a third term until after the expiration of a period of four years.

451. "Un Devoir Urgent," *Le Nouvelliste*, September 10, 1929.

452. *Titre VIII*, Article 8, Constitution of June 18, 1918. The election date is to be fixed three months in advance, by Presidential decree.

453. *Le Moniteur*, 1923, p. 563.

454. Circular of October 8, 1925, *Le Moniteur*, 1925, p. 541.

before the end of his term in 1930—in other words, that the legislative elections would be held on January 10, 1930. But in a later circular to the Haitian prefects of October 12, 1929, President Borno declared that when he had envisaged the establishment of the legislature in 1930, he had had a right to hope, as the whole country did, that the wisdom of the opposition would have aided in hastening the hour.<sup>455</sup>

"Vain hope," he continued, "in the opposing groups of blind politicians, condemned to remain slaves to their passions, they have continued to misrepresent the most laudable moves of the government. And have created by their machinations, among the credulous and impressionable population, a dangerous spirit favorable to the worst impulses leading to disorder.

"In the presence of such a situation I have the duty to consider solely, as always, the superior interests of the republic, and to decide that the elections on January 10, 1930 shall be exclusively communal elections.

"I have absolutely no anxiety regarding the outeries and hypocritical declarations of the opportunist Democrats who imagine that they can still trifle with the people when they carry their audacity to the point of pretending to speak in their name after having been in past the veritable spoilers of the people."<sup>456</sup>

## PART FOUR CONCLUSION

As the above description shows, the present system of administration in Haiti is marked by two features: (1) the concentration of administrative responsibility in the hands of the American High Commissioner and treaty officials, working to a certain extent through the Haitian President, Council of State and Cabinet; (2) the suspension of popular control over the Haitian President. American officers in the Haitian gendarmerie carry out the orders of President Borno to suppress newspapers or political meetings. Two American officers and a number of gendarmes constitute a palace guard, which incidentally protects the President from personal attack. Generally speaking, the American Occupation defends from overthrow a constitutional system under which the Borno group may indefinitely continue in office. In return, President Borno

President Borno's announcement that elections would not be held—which meant that the new President would again be named by the Council of State under Borno's control—created a tense situation. Such leading citizens of Haiti as MM. S. Pradel, Georges Léger, Pierre Hudicourt, Dantès Bellegarde, Ernest Chauvet, T. Auguste, and others now organized a National League of Constitutional Action.<sup>457</sup> This league did not advocate any particular candidate for the Presidency, but demanded the observance of the constitutional amendment prohibiting a third term, the application of the constitutional provisions regarding the legislature, and the "reinstatement of the Nation in its rights of Sovereignty."

When a call was issued for a public meeting to discuss the political situation, the government arrested four Haitians who had been announced as speakers. They were accused of sending out a "seditious call," and the meeting was not held.<sup>458</sup>

The government of M. Borno, which is supported by an American-directed gendarmerie, also suppressed a number of newspapers at Cap-Haitien and at Port-au-Prince.<sup>459</sup>

has "loyally cooperated" with the American authorities.

The arguments against this system, which Dr. A. C. Millspagh, former Financial Adviser, declares has the appearance of "dictatorship by collusion,"<sup>460</sup> may be summarized as follows:

While it is true that stable government has been established in Haiti by the American Occupation, it is a stability which is not rooted in the institutions of the country

457. In June 1929 leading Haitians outside the government sent a petition to President Hoover, asking that the system whereby President Borno exercised executive, legislative and judicial powers, should come to an end. *Le Nouvelliste*, June 11, 1929.

458. *La Presse*, October 22, 1929.

459. *Le Temps*, October 28, 1928. *New York Times*, November 4, 1929. An Associated Press dispatch reports that 200 students at the *Ecole Centrale* went on strike November 1, 1929 because appropriations for scholarships were reduced on the understanding that the students would be reimbursed for work done. (*The World*, N. Y., November 6, 1929.) It is difficult to follow events in Haiti in the American newspapers because the representatives of both the Associated and the United Press are American naval or military officers of the American Occupation.

460. Millspagh, *op. cit.*, p. 568.

455. *Le Moniteur*, 1928, p. 142.

456. *New York Herald Tribune*, October 13, 1929.

but on the contrary is imposed by the force of the United States. It is argued that real stability can only lie in the development of indigenous institutions and in an orderly method of procedure which will command the respect of the articulate portion of the Haitian population.

#### LACK OF POPULAR SUPPORT

Although Haiti is nominally an independent country, and although the American Occupation will presumably come to an end in May 1936, the United States today is responsible for the maintenance of a less democratic system of government in that country than it has adopted in the American dependencies of Porto Rico and the Philippines, where native legislatures have existed for years. If the United States is sincere in its professions about building up stable government in Haiti, how, it is asked, can it justify a policy of suppressing legislative elections and the National Assembly in that country, or the indefinite maintenance of the Borno group in office? How can it defend infringements upon the freedom of the press, or fraudulent plebiscites on constitutional amendments, and how can it ignore the decisions of the Haitian courts? In other words, if the United States may flagrantly violate the Haitian Constitution, why may not Haitians do likewise? Has not the United States simply set an example for revolution in the future?

In reply it is asserted that these constitutional provisions have always been a mockery in Haiti, and that the United States today is merely doing, by more open methods, what Haitian dictators were accustomed to do under the old régime. But this is no adequate defense, it is argued, because the United States entered Haiti for the purpose of doing away with former conditions, and ought not to perpetuate them now. Indeed, it is argued that the situation is now worse, because although the Haitians may revolt against a native dictator, they are helpless to revolt against a dictator maintained by the force of American arms.<sup>461</sup>

Finally, it is alleged that because of its dictatorial policies and a general attitude of

racial superiority, the American Occupation has antagonized the Haitian élite, with the exception of those who draw government salaries. It is asserted that American officials are wholly out of sympathy with educated Haitians and regard them as racial and intellectual inferiors. They cite the case of an American marine, who, upon marrying a Haitian girl, was at once ostracized by the American community; they declare, furthermore, that not even the President of Haiti has been invited to the American Club.<sup>462</sup>

Many educated Haitians assert, moreover, that the system of government employed since 1917 is illegal and will not be recognized after the withdrawal of the United States. They declare that the election of the President by the Council of State is not warranted under the Constitution of 1918, since that document gave to the Council of State only the power to enact laws.<sup>463</sup>

The greater number of observers seem to agree that if the United States left President Borno in power upon evacuation, he would be driven out overnight. Legally it would be possible for the United States to make recognition of the acts of the Borno government a condition of its withdrawal from Haiti.<sup>464</sup> But even were it to do so, the political problem would remain of leaving in Haiti a government which commanded the respect of the majority of the articulate population.

It may be true that the American Occupation has proved of great benefit to the peasant classes; nevertheless, when the United States withdraws from Haiti, the government will inevitably fall into the hands, not of the peasants but of the Haitian élite, the greater number of whom have not been given an opportunity to participate in the administration of the country, having been alienated by it instead. It is argued, therefore, that the most important task of the American government, and a task which so far has not been performed, is to bring about

462. "The traditional attitude of the white American to black men is merely intensified in Haiti by the fact that the country is the black man's, and that the white man is there without invitation and without welcome." (From a statement quoted in Balch, *op. cit.*, p. 116.)

463. Cf. p. 386.

464. In the Evacuation Agreement of June 30, 1922, between the Dominican Republic and the United States, the Dominican Republic recognized the validity of laws enacted by the American military government.

461. Bellegarde, *L'Occupation Américaine*, cited.



the re-establishment of a constitutional system which will allow the Haitian opposition an opportunity legally and openly to state its views as well as to gain control over the administration.

#### LACK OF INTERNATIONAL SUPPORT

Such are the criticisms of present American policy in Haiti that have come from native sources. Other critics see a further problem of an international character in the position assumed by the United States. The latter has repeatedly professed the doctrine of the equality of States in the Western Hemisphere. It has not protested at the participation of Haiti in the work of the League of Nations or of the Pan American Union. Nevertheless, it is argued, Haiti is under more strict American control today than are Porto Rico and the Philippines. No matter how disinterested American motives may be, the occupation of Haiti without international authorization of any sort gives an opportunity to anti-American elements in every part of the world to stir up antagonism against the United States. Thus it is reported that *La Opinion*, a Dominican newspaper, on August 9, 1929 sent a circular to every Latin American newspaper advocating an "intense campaign in favor of the liberation of Haiti." Moreover, a Haitian journalist, M. Jolibois, followed up President Hoover's goodwill tour throughout Latin America, demanding that the American occupation of Haiti be withdrawn.<sup>465</sup> The view held by such persons is that the economic interests of the United States are not advanced by the present occupation; and that if, following evacuation, Haiti should prove after a fair trial to be incapable of keeping its house in order, intervention should be undertaken, if at all, only under the authorization of an international or inter-American community.

#### JUSTIFICATIONS OF THE OCCUPATION

At least three arguments may be advanced in favor of the present system of government in Haiti:

1. That the United States has no right under the treaty to dictate to President Borno whether or not elections should be held and that, apart from the administration of the treaty services, the United States is not responsible for acts of the Haitian administration. (It is pointed out that High Commissioner Russell was absent from Haiti when President Borno announced his decision in October 1929 not to hold elections.)

2. That the Haitian people are not yet ready for a democratic government; that neither free elections nor free speech existed in Haiti in the past; that parliamentary forms were a mockery used by the élite to exploit the peasant masses; and that, as Dr. W. W. Cumberland, former Financial Adviser, declared at Williamstown:

"The American government therefore decided to abandon the mummery of an elected legislature and accept the fact of a legislature appointed by the President until a school system and popular education could be established."<sup>466</sup>

Dr. Millspaugh has stated that the Haitians are probably less prepared for self-government than the Filipinos.

3. That the establishment of a popularly elected legislature and President, together with an independent judicial system in Haiti, would make the position of the American Occupation untenable. It is true that in Porto Rico and the Philippines important responsibilities have been vested in native officials; but in these territories, the courts which are under American control may impose penalties upon officials for wrongdoing. In Haiti, on the other hand, the United States is unable to exercise any judicial power under the convention of 1915. It is also true that legislative power in Porto Rico and the Philippines is exercised by

<sup>465</sup> Cf. *Le Temps*, August 30, 1929; *Christian Science Monitor*, May 7, 1929.

<sup>466</sup> *New York Herald Tribune*, August 7, 1929. It is declared, however, that the Occupation has done nothing to improve literary education (cf. p. 363), and that the same elements which oppose self-government for Haiti because of the illiteracy of the people oppose self-government for the Philippines and Porto Rico, although illiteracy in both countries has greatly declined under American rule. The Donoughmore Commission to Ceylon declared that ability to read and write was no evidence of intelligence; the illiterate countryman with his "horse sense" was said to be "a better judge of character and wiser than people with a little book-learning." (*Ceylon Report of the Special Commission on the Constitution*, Cmd. 3131, July 1929, p. 85.) Haiti, moreover, is not the only "independent" country where illiteracy (estimated at between 75 and 98 per cent) is high. Colombia, Mexico, Brazil, Nicaragua, Portugal, Venezuela, the Dominican Republic, Guatemala, Egypt, all have an illiteracy rate of between 50 and 100 per cent. Egypt is, however, the only one of these countries having more than 90 per cent illiteracy. (J. B. Abel and N. J. Bond, *Illiteracy in the Several Countries of the World*, Department of the Interior, Bureau of Education, Bulletin 1929, No. 4, p. 36.)

native Parliaments; but here again the United States exercises a legal veto and—what is more important—has authority to break deadlocks between the native legislature and the American executive. But in Haiti, if a popularly elected legislature declined to vote the budget, for example, the hands of the American Occupation would be tied and eventually it would be obliged to withdraw without having accomplished its purposes.

Generally speaking, officials in Haiti discount criticisms of the occupation on the alleged ground that they emanate largely from (1) Haitian politicians who have been deprived of the political spoils which in the past constituted their source of living, (2) American business men who have been disgruntled at their failure to secure an opportunity to exploit the country, (3) sentimentalists who come to Haiti with preconceived ideas, who stay only a few days, and who have no idea of the practical difficulties involved in the administration of such a country.

#### PROPOSED POLICIES FOR THE FUTURE

The convention of 1915, under which the United States occupies Haiti today, comes to an end on May 3, 1936—or in about six and a half years. By that date a decision must be reached as to evacuation or as to the negotiation of a new treaty.

#### What should American policy be?

Some hold the view that the occupation of Haiti is based on force and that while it has brought about material improvements, it has demoralized the Haitian educated class. They believe, therefore, that the sooner the Americans terminate the treaty and withdraw, the better.

Others hold the view that the present American policy is a sound one, and that it should be continued until the expiration of the convention. President Borno stated in April 1928 that "eight years hence the co-operation [between the United States and Haiti] will come to an end. My Government's whole energy is directed toward bringing about a program of reforms intended to put the country on the normal path

of civilized peoples and thenceforth render unnecessary the exceptional assistance of the United States."

A third view is that if the present policy is continued, the Haitians will be less able in 1936 than they were in 1914 to maintain a stable government unaided. Persons holding this view believe that in order to begin to train the Haitians to stand upon their own feet, drastic changes of policy should be made immediately. They recommend (1) that the present military officers should be replaced by civilians, on the theory that civilians would be less dictatorial in their attitude and better trained for administrative tasks than military officials; (2) that the Marine Brigade should be withdrawn; (3) that greater responsibilities should be imposed on the members of the Haitian Cabinet; (4) that elections should be held for the legislature and that the Council of State should be abolished. When these changes are made, they say, the United States should announce its intention to terminate the Occupation by 1936 or even earlier.

Proponents of this view admit that the Haitians will not be able to maintain an administration as efficient as that of Americans, but assert that the United States has no right to exact standards of efficiency from Haitians which the Haitians do not desire to maintain, and which are not maintained by many other countries in the world. They do not believe that revolutions will recur after American withdrawal, provided the United States leaves in Haiti a government which rests upon a legal basis and enjoys popular support—in so far, at least, as the articulate element of the population is concerned. Those who hold this view believe that the influence of the *caco* leaders, which was instrumental in causing revolutions in the past, has been destroyed and that, as a result of the American rule, the Haitian peasants as well as the élite have learned the benefits of peace. Fears of revolution following American withdrawal from the Dominican Republic in 1924 have not materialized. In the case of Haiti, if the United States remains in the country until the American officials there are convinced that revolutions will not occur following withdrawal, it is argued that the United States will remain in Haiti indefinitely.

A fourth view is that the Haitian people will be incompetent to govern themselves until after a long period of education. It is the opinion of those who hold this view that if the Occupation is terminated in 1936, the reconstruction work inaugurated by the United States—including an educational system essential to Haitian economic development—will come to an end. The government would be turned over to the Haitian politicians, who would again exploit the Haitian peasants; economic stagnation would set in; the gendarmerie would fall into the hands of a clique who would use it for revolutionary purposes. Those who hold this view recall the revolutions between 1911 and 1915, terminating in the frightful massacre of political prisoners by General Oscar. They state that these conditions would reappear in Haiti were the United States to withdraw, and that such conditions cannot possibly be tolerated in a country lying only a few hundred miles from the United States. Consequently they advocate the indefinite occupation of Haiti by the United States and the authorization of such occupation by the negotiation of a new treaty in 1936, embodying substantially the same provisions as the present convention. Others assert that a treaty giving the United States merely the right to administer a customs receivership and to officer the gendarmerie would be sufficient. The success of any new treaty

may depend, however, upon whether it is negotiated by the methods used in 1915,<sup>467</sup> or whether it is the result of voluntary agreement on the part of representative governments in each country.

In view of the controversy that has come into existence over the question of Haiti, and in view of the intricacy of the issues involved, the suggestion has been made that President Hoover appoint a commission to investigate the situation and make recommendations as to future policy. It is suggested that the members of such a commission should be men having a knowledge of international policy and of the relationship of advanced to less advanced peoples. In view of the fact that Haiti is inhabited by a black population it has also been suggested that any such commission should include in its membership an American Negro. Some critics of the present American policy in Haiti oppose the appointment of a commission on the ground that this means delay and that the commission would be "packed." Supporters of the present policy feel that there is no need for such a commission. It is argued by others that the appointment of a Haiti commission would be in line with President Hoover's policy of appointing commissions of inquiry as in the case of Law Enforcement and Public Lands.

#### ADDENDUM

While this report was in press President Hoover adopted the suggestion referred to above. On December 3, 1929, in his message to Congress President Hoover declared, "If Congress approves, I shall dispatch a commission to Haiti to review and study the matter in an endeavor to arrive at some more definite policy than at present."

<sup>467</sup>. Cf. p. 345.